



Lakewood Hospital Redevelopment Analysis

Lakewood, OH

February 2, 2017



ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™

Table of Contents

Executive Summary	3	Retail	61
Background	4	Key Findings	62
Key Takeaways	5	Analysis	63
Socio-Economic Trends Analysis	9	Lodging	73
Key Findings	10	Key Findings	74
Methodology	11	Analysis	75
Analysis	13	Commercial Office	80
Labor & Industry Trends Analysis	28	Key Findings	81
Key Findings	29	Analysis	82
Methodology	31	Senior Housing & Independent Living	91
Analysis	32	Key Findings	92
Real Estate Analysis	42	Analysis	93
Methodology	41	Appendix	98
Multifamily Residential	45	Tapestry Segments	99
Key Findings	46	Glossary of Terms	106
Analysis	47		
Case Studies	57		

EXECUTIVE SUMMARY

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™

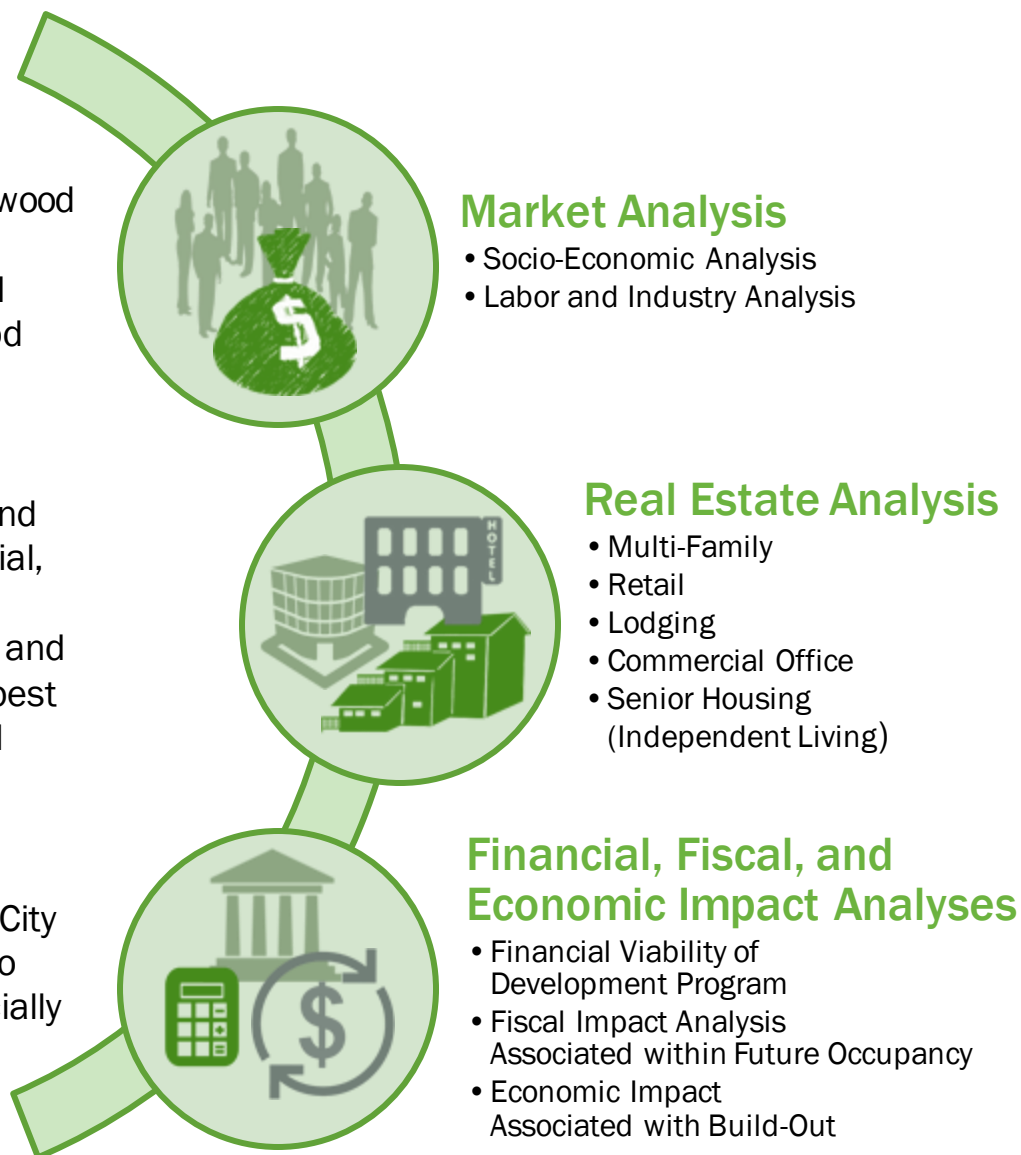


Background: Redevelopment Analysis

4ward Planning was retained by the City of Lakewood to evaluate market-receptive development opportunities and associated financial and fiscal implications for the soon-to-be-vacated Lakewood Hospital, located in Downtown Lakewood, Ohio.

The scope of work, illustrated to the right, is specifically designed to identify (a) the highest and best use (e.g., retail, office, multi-family residential, lodging, or some mixed-use combination) for the Lakewood Hospital site; (b) the associated fiscal and economic impacts of the identified highest and best use to the City of Lakewood; and (c) the financial viability of the highest and best use, from a developer's perspective.

The above elements are intended to provide the City of Lakewood with a sound foundation on which to determine the most market-receptive and financially feasible re-use for the Lakewood Hospital site.



Takeaways: Market & Real Estate Analysis

Multi-Family Housing

Despite relatively flat household formation, overall, positive growth in non-family households, and relatively strong employment growth will influence near-term housing demand in the City of Lakewood. Accordingly, successful residential redevelopment at the former Lakewood Hospital site should consider the needs and preferences of prevalent socio-economic groups, especially those with propensity to live in both medium-density single-family (e.g., townhomes, condos) and multi-family housing.

Approximately 40 percent of households within a 15-minute drive of the former Lakewood Hospital site (representing the 15-Minute Primary Market Area or PMA) have been identified, through socio-economic profiles, as having some preference for living in multi-family housing, particularly rental (representing 55 percent of all housing within the City). As identified in the socio-economic and labor trends analysis section of this report, housing tenure mix is healthy and reflective of continued and growing market demand from both younger persons and empty nesters.

Two demographic groups likely driving pent-up housing demand within the 15-Minute PMA include aging Baby Boomers looking to downsize, while remaining close to friends and family, and professionals working in Downtown

Lakewood and looking to reside closer to work (characteristic of 69 percent of workers within the PMA). With an average unemployment rate (3.9 percent) lower than that of the County, the MSA, and the State, and a large and increasing share of highly educated, working-age residents, the demand for local housing options in Lakewood will, likely, rise - as newly hired workers seek to secure housing near their places of employment.

Furthermore, as of third-quarter 2016, the Lakewood apartment submarket has a vacancy rate of just 2.5 percent - a sign of an extremely tight apartment submarket. According to data provided by City of Lakewood, the three residential projects currently under construction or being planned within the City will likely add another 235 residential units (townhomes and apartments). Over the next few years, as new units are completed within the submarket, it is expected that the apartment vacancy rate will rise slightly (3.6 percent by 2020) but remain tight, nevertheless. 4ward Planning's supply/demand analysis for residential units has identified unmet demand for approximately 11,597 units in the PMA by 2025; the hospital site could, conceivably, capture 116 to 348 of these units (one to three percent of the PMA total).

Takeaways: Market & Real Estate Analysis (continued)

Retail

Although average household expenditures in the City of Lakewood and the 15-Minute PMA remain lower than the national average, both geographies are experiencing a “surplus” of retail sales in nearly all of the selected convenience retail categories - meaning either that people travel from outside the trade area to shop or people living within the trade area consume more than would be typically expected given their income levels.

Since 2010, the City of Lakewood has benefitted greatly from renovations and new construction of retail space, especially within the half-mile radius area and along Detroit Avenue (where retail vacancy remains below 10 percent).

Based on retail supply/demand analysis, there is currently a net new demand for special food services within the City of Lakewood and limited-service eating establishments within the 15-Minute PMA. The relative share of dining establishments within a half-mile of the hospital site suggests a high degree of discretionary income locally – a favorable characteristic for additional mixed-use development.

Lodging

Since companies that receive regular visits from vendors and consultants can drive hotel demand, identifying industry clusters which exhibit this type of activity (e.g., tech and professional services industries) can help determine potential areas of unmet hotel demand.

Located at the Lakewood/Cleveland border, Lakewood’s two hotels are both likely capturing overflow hotel demand from Downtown Cleveland, where much of the region’s competitive inventory of hotel and meeting space is located. While the former Lakewood Hospital site is fairly easily accessible from I-90 (a six-minute drive), the site is located approximately 1.4 miles from the Warren Road I-90 interchange entrance and would have no visibility from the interstate. Potential hotel development at the site would likely require extensive signage or marketing to capture overflow hotel demand from Downtown Cleveland, or the creation of a boutique hotel offering conference meeting space.

Takeaways: Market & Real Estate Analysis (continued)

Office

Although no new office space has been completed in the Cleveland West office submarket since 2009, Reis expects an additional 233,000 square feet of office space will be completed in the submarket over the next four years. Inventory is expected to grow at a rate of 1.1 percent per year over the next five years, a rate faster than that of the MSA but comparable to the nation – a positive sign for prospective office development.

However, over the next five years, the office submarket is expected to continue having a relatively high vacancy rate (20 percent) -- suggesting there may be many buildings in great disrepair and/or economically obsolescent to the extent they will not attract new office users, absent significant rehabilitation.

The Professional, Scientific, and Technical Services (PSTS) and Management of Companies and Enterprises sectors are experiencing the greatest employment growth in the 15-Minute PMA. Based on the office supply/demand analysis, by 2025, there will be a net new demand for more than 1.7 million square feet of office space within the PMA. Much of this office space demand is estimated to come from projected employment growth within the PSTS and

Management of Companies and Enterprises sectors. Further, the relatively large share of highly educated residents within the City of Lakewood bodes favorably for attracting businesses seeking knowledge workers – such as professional services and technology firms.

With approximately 1.3 million square feet of office space available for lease and for sale within the 15-Minute PMA (the bulk of which is characteristic of traditional office building space), it is likely that a large portion of new office space demand could be accommodated within currently vacant office buildings, albeit requiring varying degrees of rehabilitation and upgrades.

According to data provided by the City of Lakewood, there are three office projects currently under construction within Lakewood (Cleveland Clinic Family Health Center, Rockport, and Roundstone) - all located within the half-mile radius of the former Lakewood Hospital site. Given recent/pending office development in Downtown Lakewood, it is likely that a portion of the net new office space demand in the PMA could be met within the former Lakewood Hospital site.

Takeaways: Market & Real Estate Analysis (continued)

Senior Housing (Independent Living)

In 2015, the share of Lakewood residents age 65 years and older living below the poverty level (12.9 percent) – was two percent higher than that found within both the County (10.9 percent). The aging of the region's population and the relatively larger share of Lakewood residents age 65 years and older living below the poverty level – suggests that there may be a need for additional senior housing options, locally (both market-rate and affordable).

A 54-unit affordable LGBT and senior rental housing project was recently completed two miles east of the former Lakewood Hospital site, across from the W. 117th Rapid Station. The apartment offers various community amenities include a fitness and business center, meditation room, planned resident activities, health and wellness suite, library, among others.

Independent living facilities provide multi-family housing options for older adults and seniors looking to find housing that better caters to their specific needs (e.g., offering additional services, including meals, housekeeping, and organized social activities). These residents typically rent apartments at a relative premium to local market housing, as such units cover amenity and service costs.

Research studies also show that, unlike residents of assisted living facilities, residents of independent living facilities tend to be more affluent and are as likely to participate in local consumer activities (e.g., shopping, dining, entertainment spending) as are young age groups.

Based on independent-living (IL) units/beds estimates identified for the larger Central/East Cuyahoga submarket, as of 2016, demand exceeds known supply by approximately 781 units, and is projected to increase to 911 units by 2021. It is also likely that the current demand for IL units within City of Lakewood is greater than current supply, and the gap between demand and supply will continue to grow larger, in the absence of the development of new IL facilities. The former Lakewood Hospital site presents an opportunity to capture a portion of this market.

SOCIO-ECONOMIC TRENDS

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Key Findings: Socio-Economic Analysis

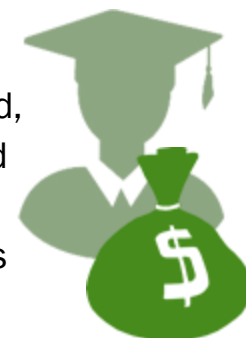
Lakewood residents are younger, but region is, generally, older

Compared to Cuyahoga County, overall, City of Lakewood has a greater share of residents falling into the young workforce and grads cohort (25 to 34 years), and a smaller share of residents falling into the empty-nester age cohorts (55 years and older). While the median age of residents living within City of Lakewood (37 years) is lower than that found within the County (41 years), overall, the median age within all geographies is expected to increase through 2021. The aging of the region's population will influence near-term housing demand (e.g., an increase for smaller units and more rental units).



Higher educational attainment and incomes

Educational attainment and household income across the geographies is highest in City of Lakewood, where 44 percent of adult residents have a bachelor's degree or higher level of education (compared to 32 percent within the County), and the median household income is approximately \$49,050 (compared to \$39,390 within the 15-Minute PMA). Nevertheless, while City of Lakewood households exhibit higher average household expenditures on a range of goods and services compared to PMA households, average household expenditures in Lakewood remain lower than the national average.



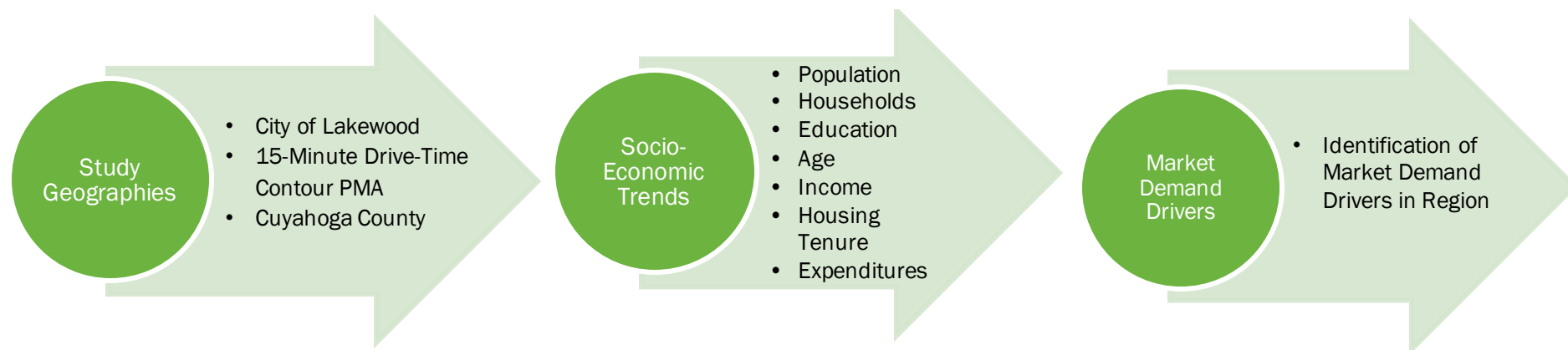
More rented housing units

City of Lakewood has a higher share of rented housing units (55 percent) than the County (37 percent). Approximately 40 percent of households within the PMA have some preference for living in multi-family housing, particularly rental.



Methodology: Socio-Economic Analysis

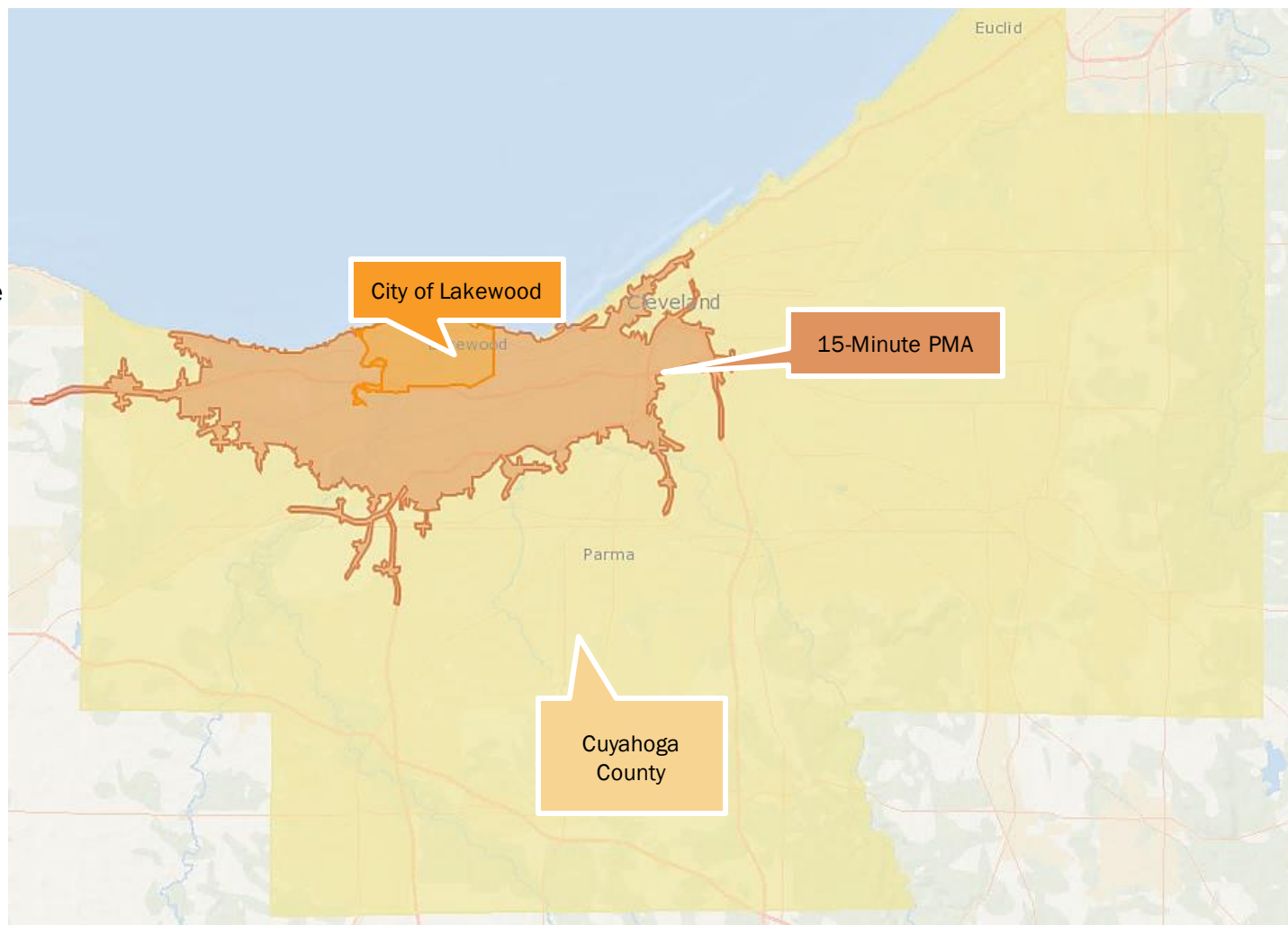
Utilizing a combination of published government data (U.S. Census, Bureau of Labor Statistics, and State of Ohio Department of Labor) and proprietary analysis software (Esri Community Analyst), 4ward Planning compared socio-economic trends for the base, primary, and Cuyahoga County market areas. The City of Lakewood serves as the base study area, while the primary market area (PMA) is defined as a 15-minute drive-time (approximately a 7.5-mile contour) from the Lakewood Hospital (LH) site (a PMA, typically, represents the catchment area from which 70 percent or more of consumer patronage originates or from where labor supply is drawn). Cuyahoga County (the County) is herein classified as the secondary market area, representing a relatively large catchment area from which the LH site could prospectively compete for new residents and/or office-using businesses. Socio-economic trends associated with population, households, educational attainment, age cohorts, income distribution, residential tenure rates (owner-occupied versus renter-occupied), and consumer expenditure estimates (including restaurant, arts, and entertainment expenditures) were analyzed. Demographic data is displayed for 2010, 2016 (estimated), and 2021 (projected). Study area boundaries are illustrated on the following page.



Methodology: Study Areas

The geographic areas studied include:

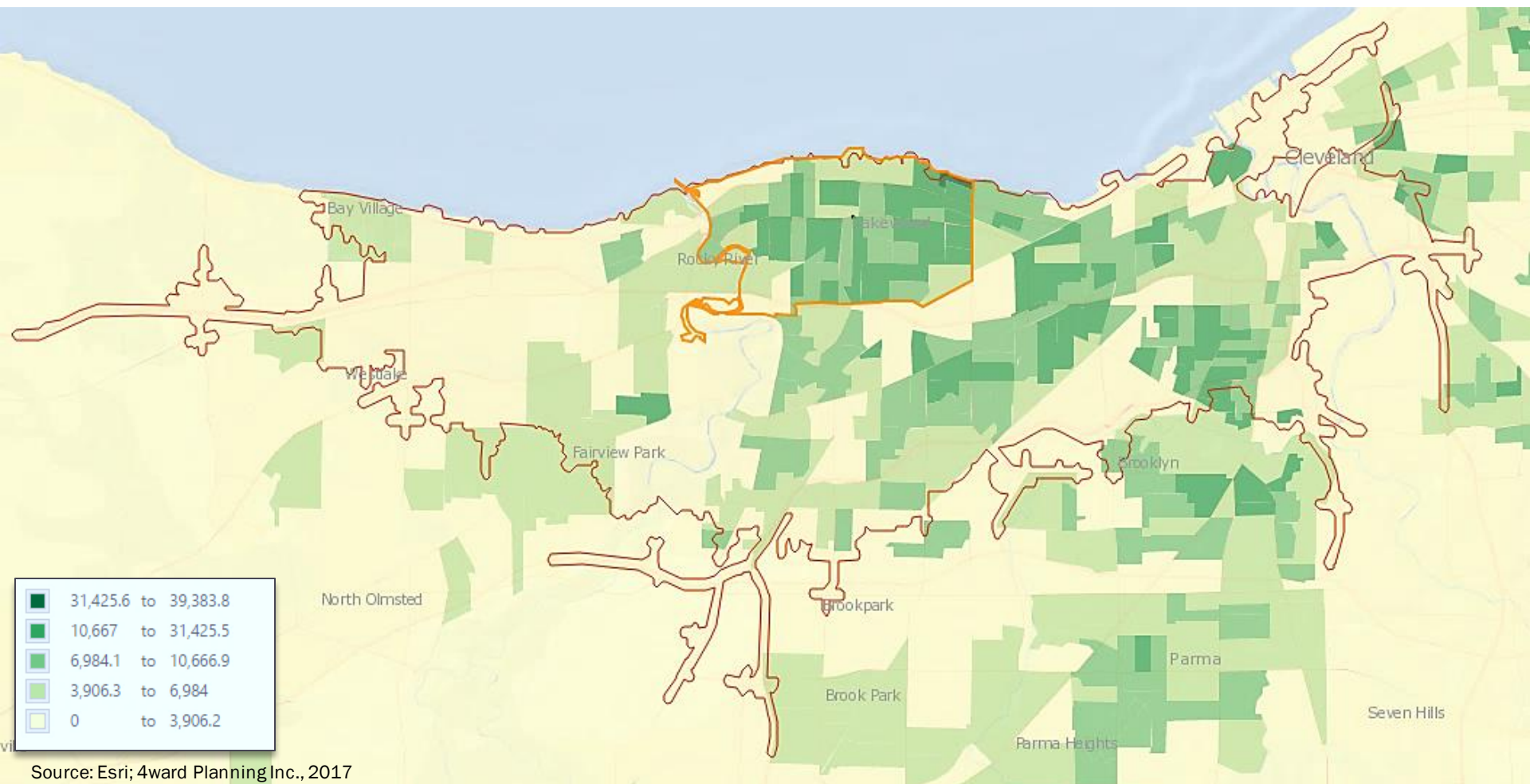
- **City of Lakewood:** the base area
- **15-Minute Primary Market Area (PMA):** the 15-minute drive-time contour
- **Cuyahoga County:** the secondary market area



Source: Esri

Population Density

Located within the Cleveland-Elyria Metropolitan Statistical Area (MSA), City of Lakewood borders the City of Cleveland to the west. Despite being one of Cleveland's inner-ring suburbs, with a 2016 population of 51,768 and a land area of 5.53 square miles, City of Lakewood has an average population density (9,360 persons per square mile) much higher than that found within the City of Cleveland (4,940 persons per square mile).



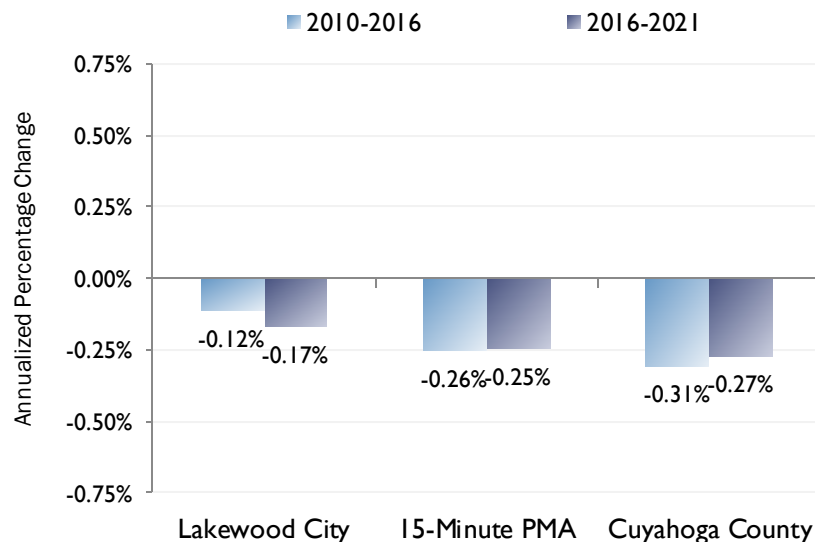
Near-Term Population Growth

Annualized Growth Rate Assumptions

Strong Positive Growth	Greater than	1.50%	annually
Modest Positive Growth	Between	1.50% and 0.75%	annually
Flat Growth	Between	0.75% and -0.75%	annually
Modest Negative Growth	Between	-0.75% and -1.50%	annually
Strong Negative Growth	Less than	-1.50%	annually

As illustrated below, all geographies experienced relatively flat population growth from 2010 to 2016 (changing between 0.75 and -0.75 per year), with relatively flat population growth expected to continue through 2021, absent major in-migration and development. Over the next five years (and absent large scale development), City of Lakewood's total population is expected to shrink by approximately 450 residents – less than one-percent of the current population.

Annualized Percentage Change, Total Population



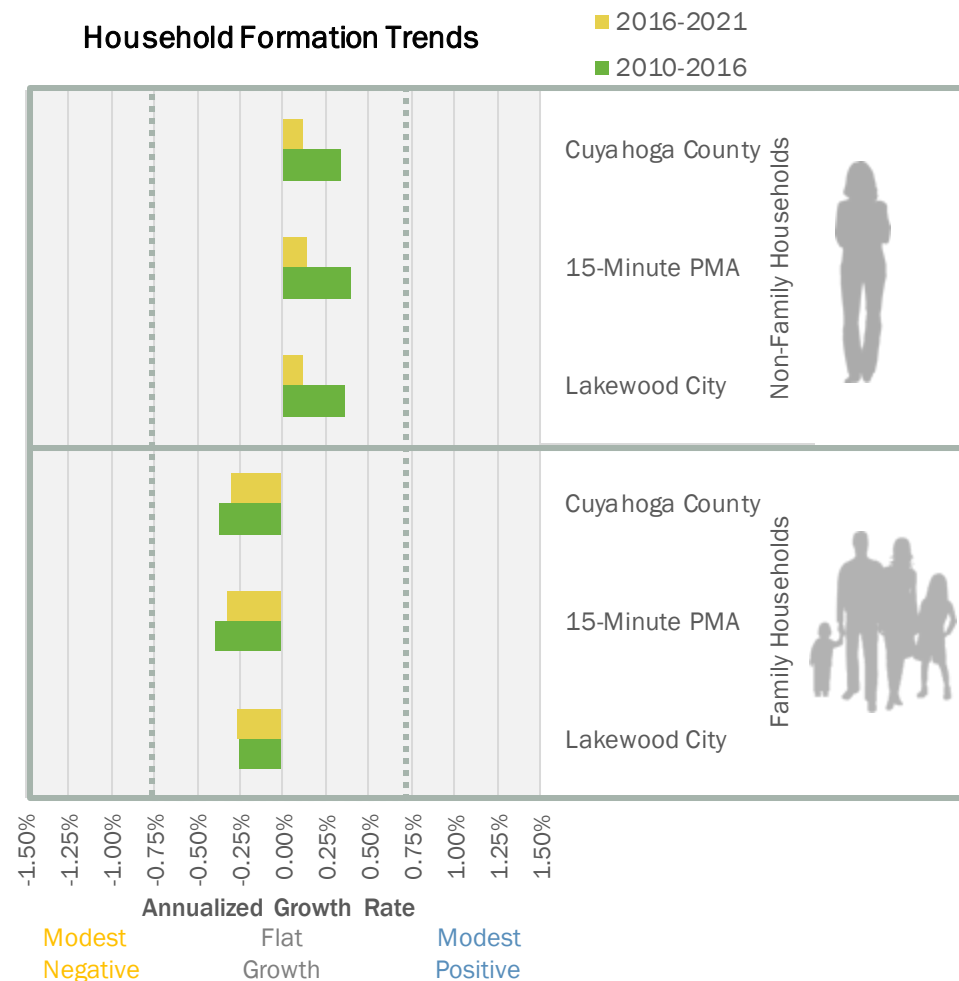
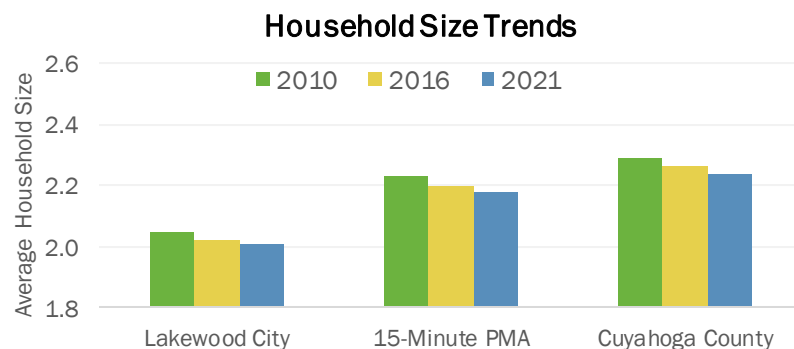
Population by Geography

	2010	2016 (estimated)	2021 (forecasted)	Net Change (2016-2021)
City of Lakewood	52,131	51,768	51,319	-449
15-Minute PMA	239,095	235,409	232,482	-2,927
Cuyahoga County	1,280,122	1,256,562	1,239,435	-17,127

Source: US Census Bureau; Esri; 4ward Planning Inc., 2017

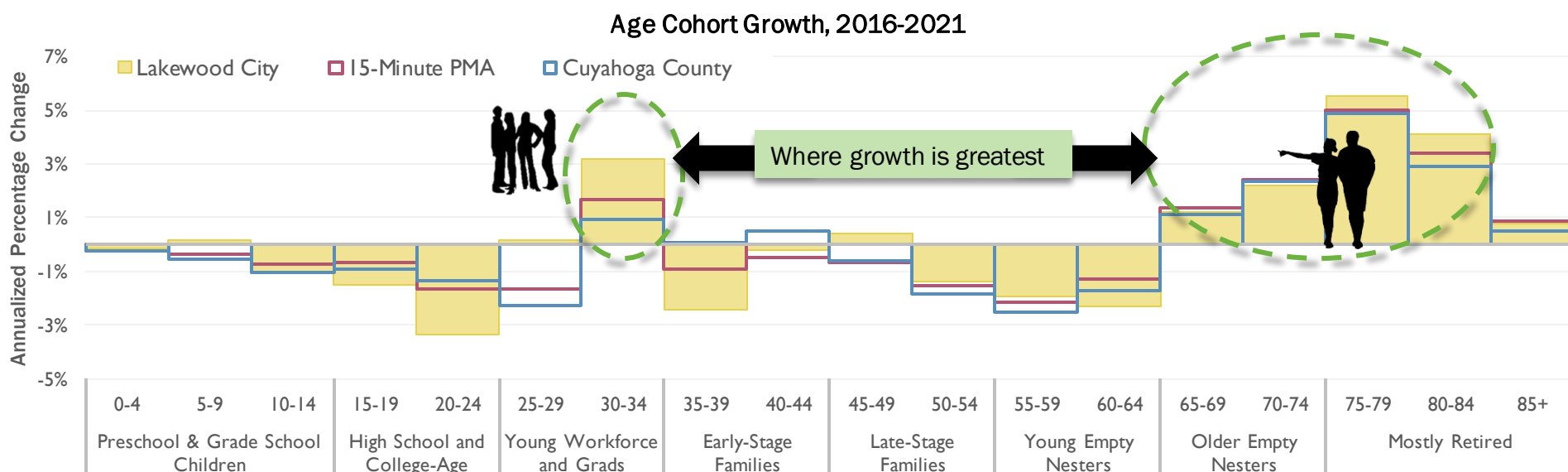
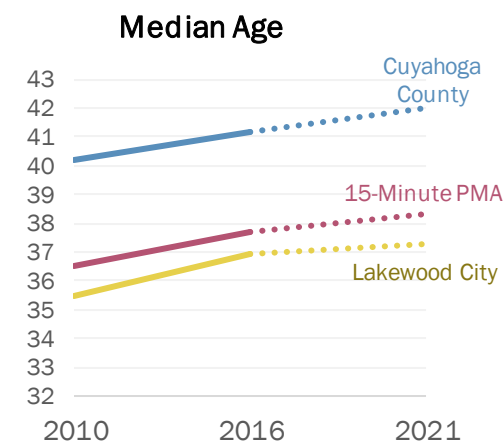
Household Formation

As illustrated in the chart to the right, although both non-family and family household growth in all geographies is expected to remain relatively flat through 2021; the rates of non-family household growth (top right) are expected to be positive, overall, while the rates of family household growth (bottom right) are expected to be negative. As illustrated below, average household size has also been shrinking in recent years – reflective of national household size trends and is expected to continue over the next five years.



Age Cohort Growth Patterns

Due to the relatively large share of residents between the ages of 20 and 40 years, the median age of residents living within City of Lakewood (37 years) is lower than that found within the larger PMA (38 years) and County (41 years), overall. While the young workforce and grads cohort (25 to 34 years) is expected to increase through 2021, the age cohorts representing older baby boomers and mostly retired individuals (ages 65 years and older) is expected to grow fast as well. As a result of the aging of the region's population, the median age within all geographies is also expected to increase through 2021 -- presenting opportunities for new land uses and consumer offerings.

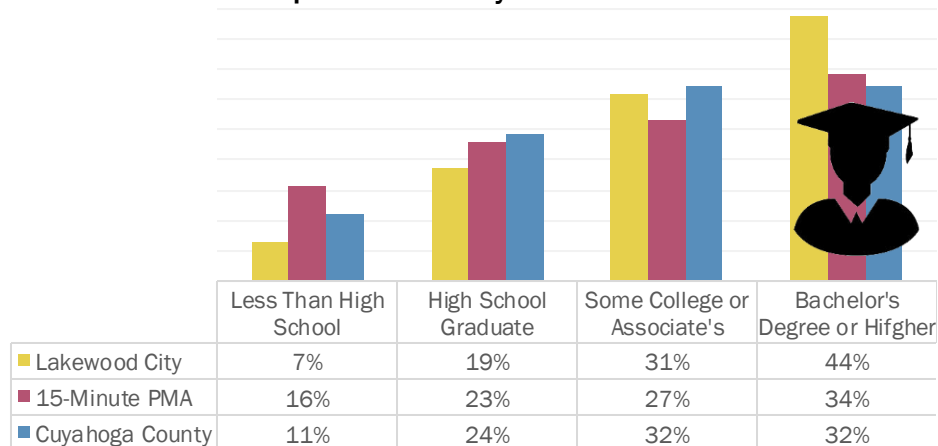


Source: US Census Bureau; Esri; 4ward Planning Inc., 2017

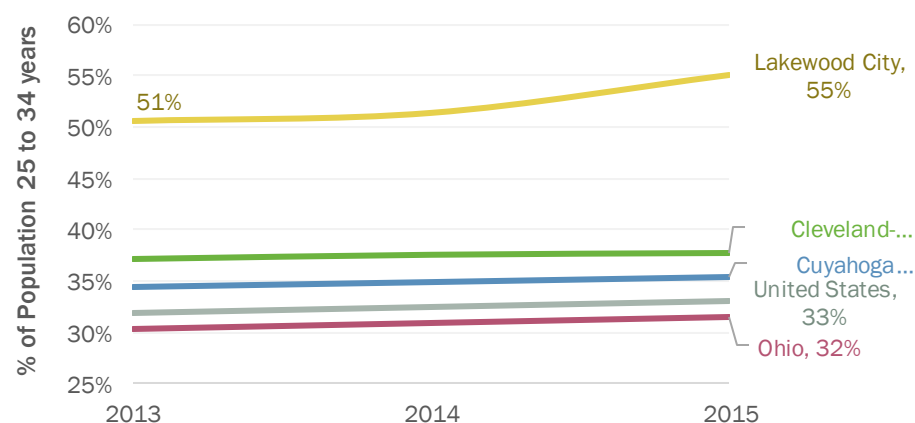
Educational Attainment

Educational attainment is a powerful predictor of economic well-being, as higher levels of educational attainment often lead to higher household incomes and consumer expenditures, which can attract new retail businesses and employers seeking knowledge workers (e.g. professional services and technology firms). As exhibited below, and discussed in a 2016 Cleveland Foundation report, educational attainment across the geographies is relatively high in the City of Lakewood, especially among those between 25 and 34 years old. In 2016, 44 percent of Lakewood's adult residents ages 25-years and older had a bachelor's degree or higher level of education, compared to 34-percent within the PMA and 32-percent within Cuyahoga County. In 2015 (the latest year available), 55 percent of Lakewood's residents between 25- and 35-years had a bachelor's degree or higher level of education (up from 51 percent in 2013). The relatively large and increasing share of highly-educated, working-age residents within the City of Lakewood bodes favorably for attracting new businesses and meeting unmet residential market demand from young professionals.

2016 Population 25+ by Educational Attainment



Population 25 to 34 years with a Bachelor's Degree or Higher

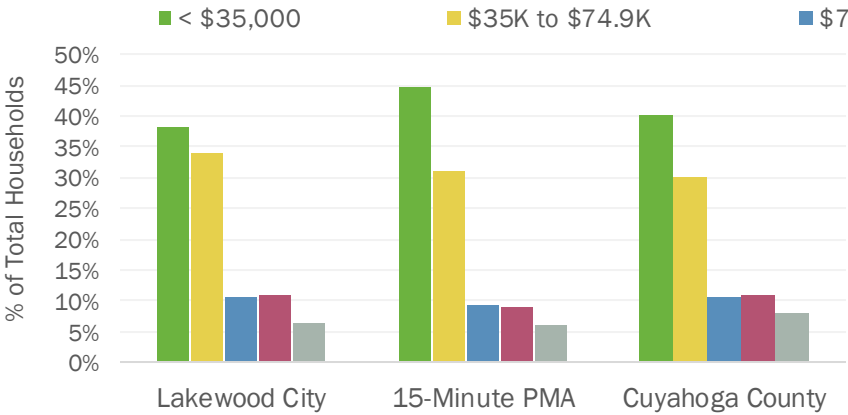


Source: Cleveland Foundation, *Cleveland's Fifth Migration*, 2016; ACS 5-Year; Esri; 4ward Planning Inc., 2017

Income Distribution

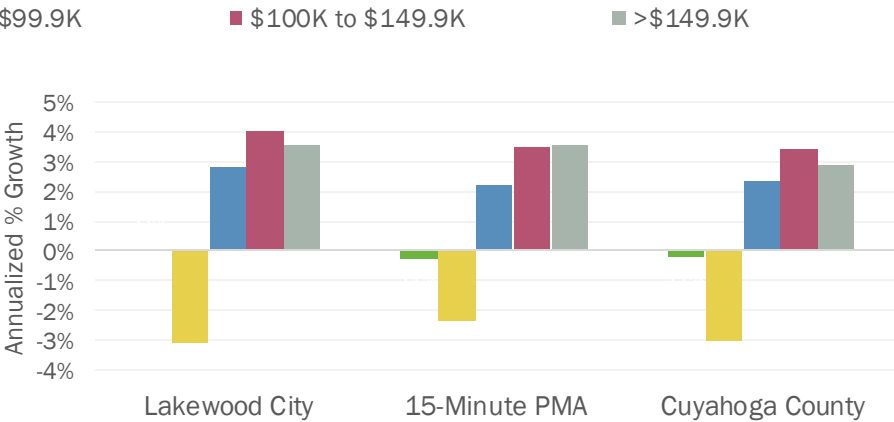
As shown in the graphic on the left, estimated 2016 median household income in City of Lakewood (\$49,051) is nearly 25-percent higher than that in the 15-Minute PMA (\$39,391) and 10-percent higher than that for Cuyahoga County (\$44,543). Approximately 28-percent of households in City of Lakewood earn \$75,000 or more annually, a share higher than that found within the 15-Minute PMA (24-percent) but slightly lower than that found within the County (30-percent). As shown in the graphic below right, households earning \$75,000 or more annually are estimated to increase the fastest across all geographies over the next five years. It should be noted, however, that, over time, the buying power of all income groups can be less than what it was for similar income groups ten-years ago, due to negative effects of inflation. Consequently, a growing share of upper income households doesn't, necessarily, mean that consumer purchases will rise significantly.

Estimated Household Income Distribution, 2016



\$46,051	\$39,391	\$44,543	Median Household Income
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Estimated Household Income Growth Rates, 2016-2021

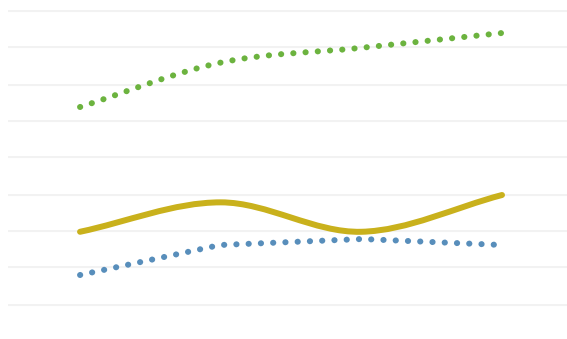


Sources: US Census Bureau; Esri; 4ward Planning Inc., 2017

Poverty

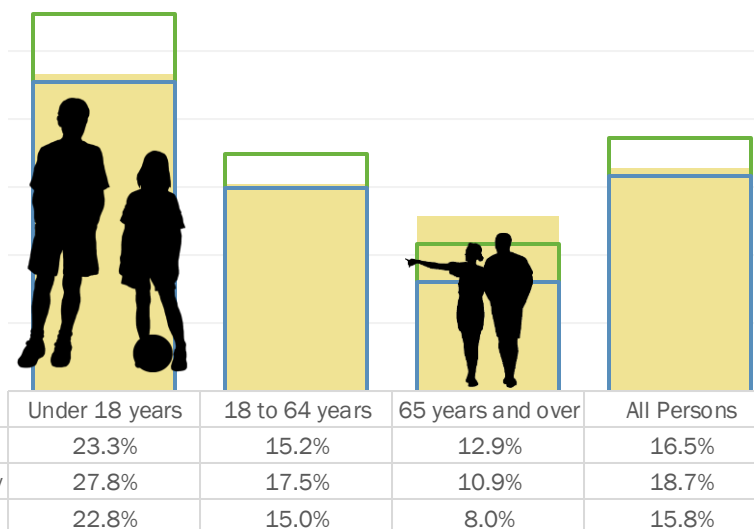
According to estimates provided by the American Community Survey, in 2015, the share of Lakewood residents living below the poverty line was 16.5 percent, a share much lower than that found within Cuyahoga County (18.7 percent) but higher than that within the State (15.8 percent), overall. As illustrated in the graphic below on the left, the share of residents living below the poverty line has increased by half a percent since 2012. As illustrated in the graphic below on the right, across all geographies, the share of residents living below the poverty level is highest among children under 18 years of age and lowest among older residents age 65 years and older. In 2015, the share of Lakewood residents age 65 years and older living below the poverty level (12.9 percent) – was two percent higher than that found within both the County (10.9 percent) – suggesting there may be a local need for additional senior housing options.

Share of Residents Living Below Poverty Level



	2012	2013	2014	2015
Lakewood City	16.0%	16.4%	16.0%	16.5%
Cuyahoga County	17.7%	18.3%	18.5%	18.7%
Ohio	15.4%	15.8%	15.9%	15.8%

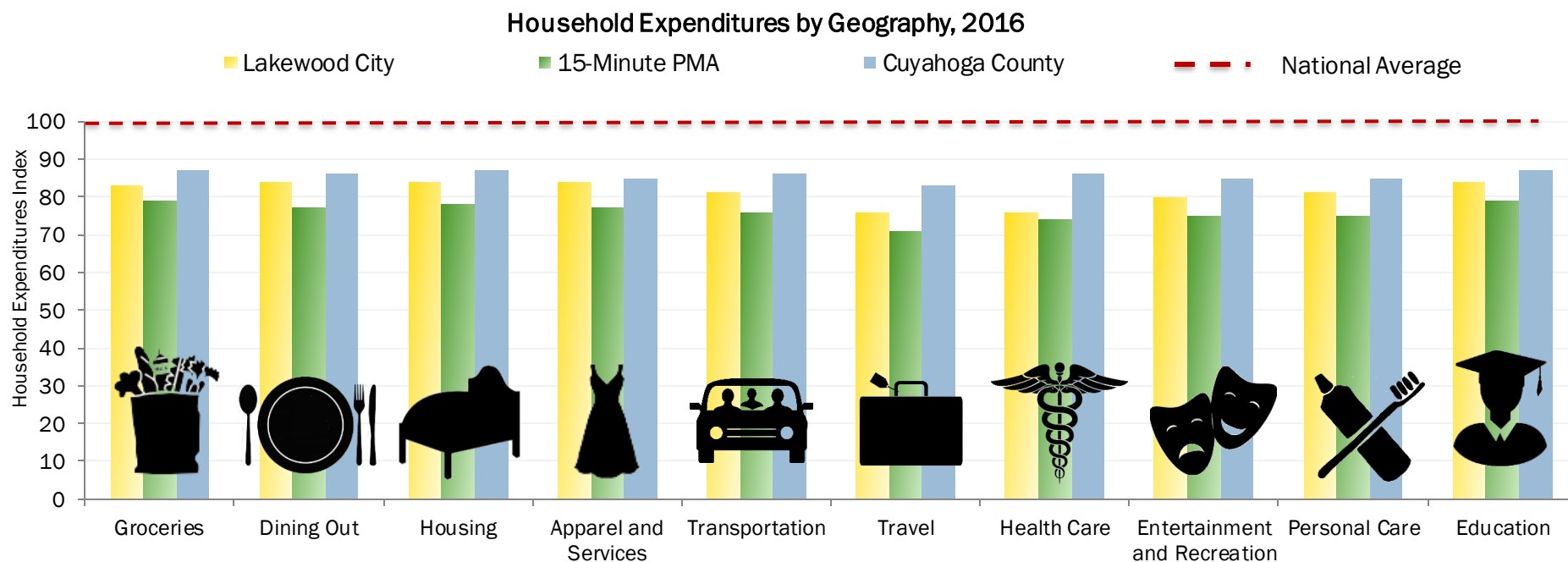
Percent of Residents Living Below Poverty Level, 2015



Sources: ACS 5-Year; 4ward Planning Inc., 2017

Household Consumer Expenditures

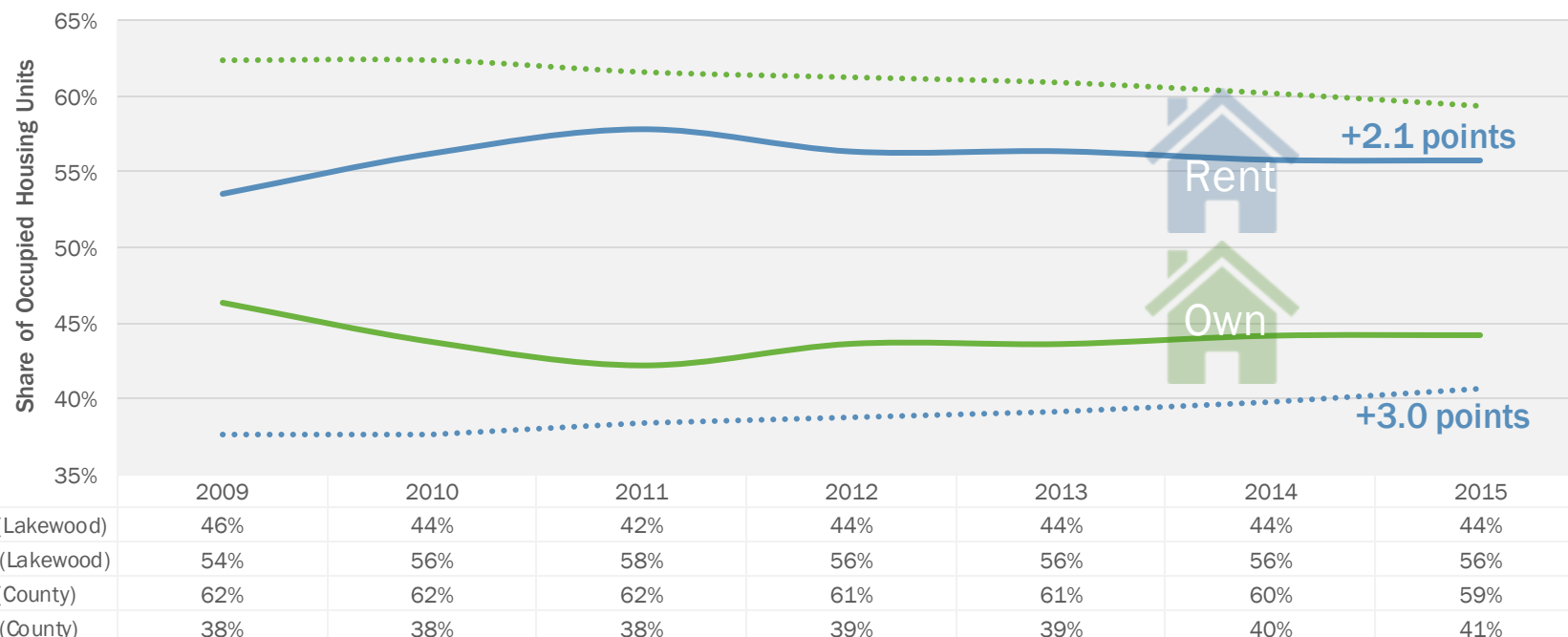
As illustrated in the graphic below, 2016 average household expenditures within all geographies are significantly lower than 2016 national average household expenditures on a range of goods and services. City of Lakewood and Cuyahoga County households hover between the eightieth and ninetieth percentiles, nationally – reflective of their higher median household incomes, relative to those within the PMA. While the household expenditures are lower than national household expenditures, retailers and service businesses will still find success in the local area market by appealing to the changing consumer demands of local area households.



Source: US Census Bureau; Esri; 4ward Planning Inc., 2017

Housing Tenure Trends

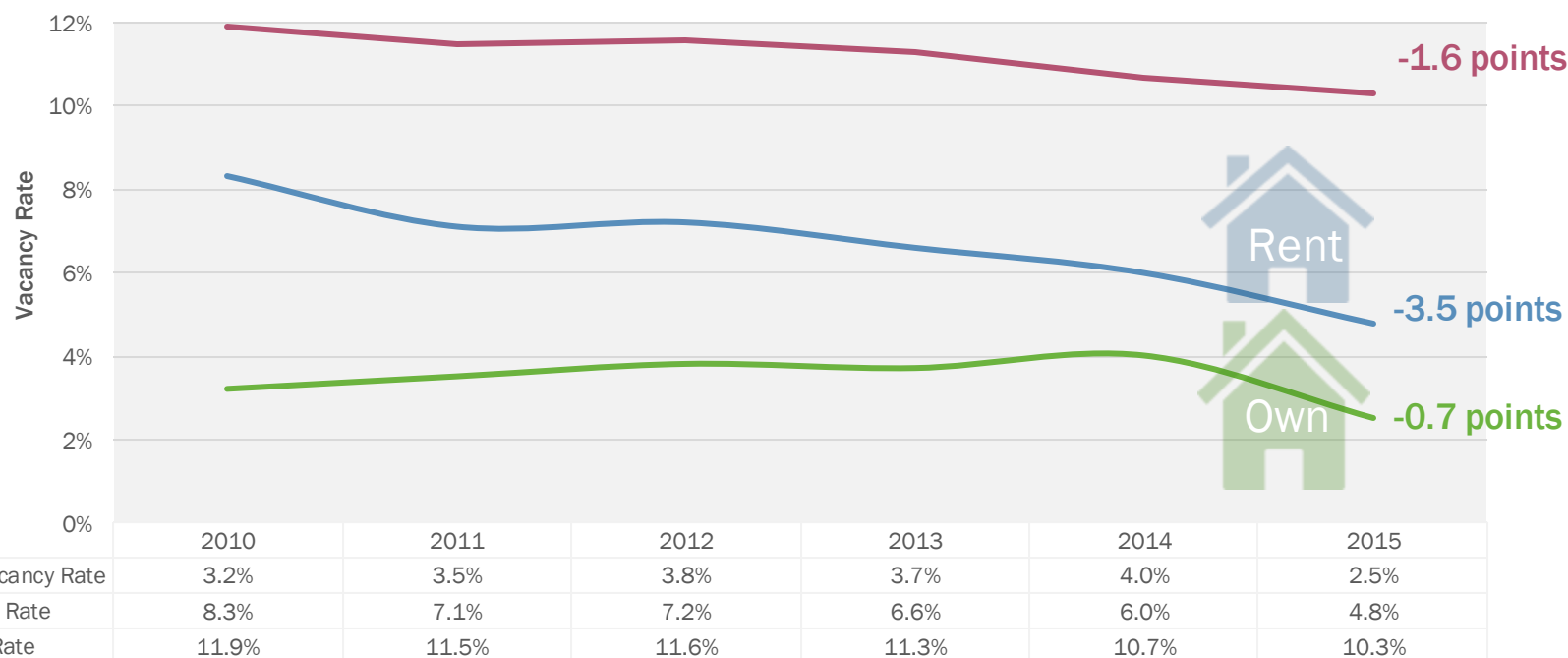
As illustrated below, in 2015 approximately 56 percent of all housing units in the City of Lakewood were renter-occupied, a share which is markedly higher than that found in Cuyahoga County, overall (41 percent). From 2009 to 2015, the share of renter-occupied housing units increase by both Lakewood and the County (by 2.1 and 3.0 points, respectively). However, and notwithstanding the relatively large, and increasing share of renter-occupied housing units, the housing tenure mix is healthy and reflective of a continued and growing market demand for rental housing units – from both younger persons (e.g., Millennials and younger GenXers) and empty nesters (Baby Boomers). The development of rental housing on the Lakewood Hospital site would help meet growing demand for rental housing.



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates; 4ward Planning Inc., 2017

Housing Vacancy Trends

In general, a vacancy rate of approximately five percent is an indicator of a relatively healthy housing market. Although Lakewood's average housing vacancy rate was approximately 10.3 percent in 2015 (includes seasonal and other vacant units), the vacant rate for rental and ownership-units was much lower (at 4.8 percent and 2.8 percent, respectively). As illustrated below, housing vacancy rates in the City of Lakewood have decreased in recent years – a sign of a tightening housing market. From 2010 to 2015, the average vacancy rate in Lakewood decreased by 0.7 points for owned units and by 3.5 points for rental units. Consequently, the development of multi-family and/or small townhouse units on the Lakewood Hospital site would help relieve the tightening housing market.

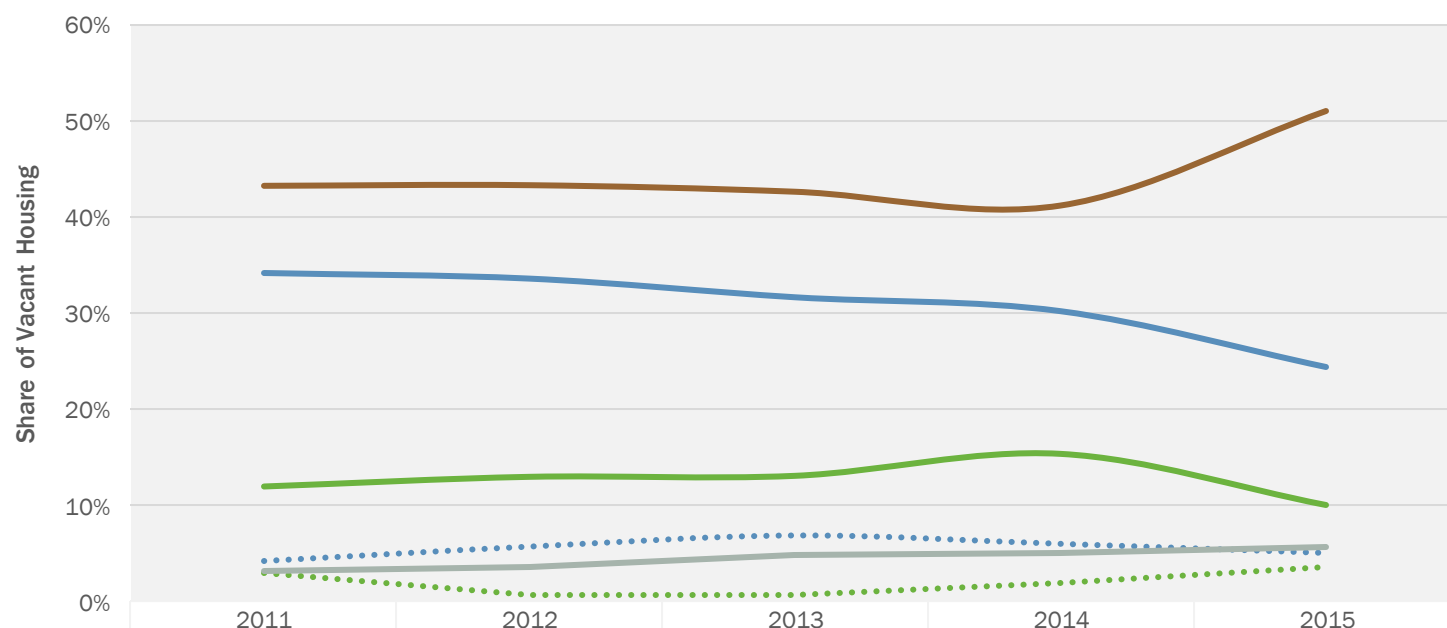


Note: Rental and homeowner vacancy rates do not include "other vacant" or "seasonal" units in the calculation of the vacancy rates.

Source: American Community Survey 5-Year Estimates; 4ward Planning Inc., 2017

Housing Vacancy Status Trends

According to American Community Survey (ACS) Five-Year Estimate data, just over half of all vacant units in the City of Lakewood represent “other vacant” units - those that are not currently available for sale or for rent, but are vacant due to repairs, foreclosure, or other personal reasons. These “other vacant” units help explain the relatively high average vacancy rate within the City of Lakewood.



	2011	2012	2013	2014	2015
For rent	34%	34%	32%	30%	24%
Rented, not occupied	4%	6%	7%	6%	5%
For sale only	12%	13%	13%	15%	10%
Sold, not occupied	3%	1%	1%	2%	4%
For seasonal, recreational, or occasional use	3%	4%	5%	5%	6%
Other vacant	43%	43%	43%	41%	51%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates; 4ward Planning Inc., 2017

Tapestry Segments: An Overview

Esri's Tapestry Segmentation process classifies U.S. residential neighborhoods into 65 unique segments based on demographic variables such as age, income, home value, occupation, household type, education, and other consumer behavior, demographic, and socio-economic characteristics.

According to Esri, companies, agencies, and organizations have used segmentation to divide and group consumer markets to more precisely target their best customers and prospects. This targeting method is, purportedly, superior to using "scattershot" methods that might attract preferred groups. Segmentation explains customer diversity, simplifies marketing campaigns, describes lifestyles and life-stages, and incorporates a wide range of data.

Segmentation systems operate on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes - "like seeks like." These behaviors can be measured, predicted, and targeted. Esri's Tapestry Segmentation system combines the "who" of lifestyle demography with the "where" of local neighborhood geography to create a model of various lifestyle classifications or segments of actual neighborhoods with addresses - distinct behavioral market segments.

4ward Planning used Esri's Tapestry Segments to identify the top socio-economic groups exhibiting a strong propensity to live in multi-family housing. A more detailed description of the Tapestry Segments identified as exhibiting this housing preference can be found in the Appendix.

Top Tapestries: 15-Minute PMA

The chart below compares the top ten Tapestry Segments by share of total households located within the 15-Minute PMA, along with key socio-economic metrics and spending potential index (comparing local average expenditures to the national average). Given the top ten Tapestry Segments in the PMA (listed in the below table), approximately 40 percent of households have some preference for living in multi-family housing, particularly rental. Successful residential redevelopment at the Lakewood Hospital site should consider the needs and preferences of these top socio-economic groups, highlighted below and on the following page, by share of total households.

Tapestry Segment	Typical Housing	Share of Households	Median Age	Average HH Size	Median HH Income	Percent Renters
Hardscrabble Road	Single Family	18.1%	31.7	2.64	\$26,000	59%
Set to Impress	Multiunit Rentals; SF	10.3%	33.1	2.10	\$29,000	71%
Rustbelt Traditions	Single Family	9.8%	38.4	2.46	\$49,000	28%
Emerald City	SF; Multiunits	9.5%	36.6	2.05	\$52,000	50%
Traditional Living	Single Family	9.4%	34.8	2.50	\$37,000	40%
Golden Years	SF; Multiunits	6.1%	51.0	2.05	\$61,000	36%
In Style	Single Family	4.8%	41.1	2.33	\$66,000	31%
Metro Renters	Multiunit Rentals	3.3%	31.8	1.66	\$52,000	79%
Fresh Ambitions	Multiunit Rentals; SF	3.2%	28.0	3.13	\$26,000	72%
Young and Restless	Multiunit Rentals	3.1%	29.4	2.02	\$36,000	86%

Source: Esri; 4ward Planning Inc., 2017

Top Tapestries: 15-Minute PMA

The graphic below presents the top ten Tapestry Segments by share of total households, highlighting those Tapestries with some propensity to live in multi-family housing (e.g., Set to Impress, Emerald City, Golden Years, etc.).



Source: Esri; 4ward Planning Inc., 2017

Labor & Industry Analysis

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Key Findings: Labor & Industry Analysis

Lower unemployment rates

As of September 2016, City of Lakewood had an average unemployment rate of 3.9 percent, a rate lower than those found within the County (5.1 percent), MSA (4.9 percent), and State of Ohio (4.8 percent), overall. Over the past decade, average unemployment rates in City of Lakewood have remained consistently lower than those of the County, MSA, and State – characteristic of a relatively strong economy.



Employment dominated by Health Care and Social Assistance

Health Care and Social Assistance is the dominant industry within the entire Cleveland-Elyria MSA. This is particularly the case in City of Lakewood, where about 20 percent of workers are employed in this sector (compared to just 13 percent in the PMA). However, while total employment within this sector grew within the other three geographies from 2010 to 2014, total employment within this sector declined slightly within City of Lakewood (losing 92 jobs), over the same period – and likely due to downsizing activities at the Lakewood Hospital.



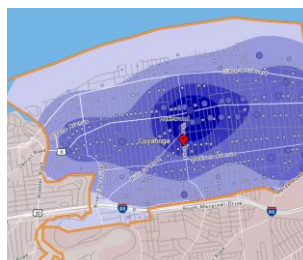
An influx of low- to mid-wage range jobs

The Health Care and Social Assistance sector is expected to experience the second greatest employment growth within the MSA (second to the Construction sector), creating a number of new low- to mid-wage job opportunities in the region. Home health aides, the fastest growing occupation in the MSA (931 job openings per year) will provide relatively low-wage job opportunities (a median wage of \$9.50 per hour), while other growth occupations in this sector (e.g., physician therapy assistants with a median wage of \$40.00 per hour) will provide middle-income job opportunities.



Key Findings: Labor and Industry Trends Analysis – 2016 Estimates

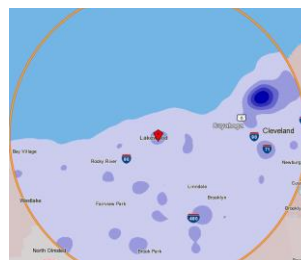
City of Lakewood



- **Primary Jobs¹:**
- **Unemployment Rate:**
- **Top Two Industries by 2014 Employment:**
- **Top Two Industries by Employment Change 2010-2014:**

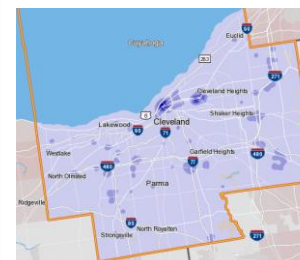
- 11,460 jobs
- 3.9 percent
- Health Care and Social Assistance
- Accommodation and Food Services
- Accommodation and Food Services
- Retail Trade

15-Minute PMA (7.5-Mile Radius)



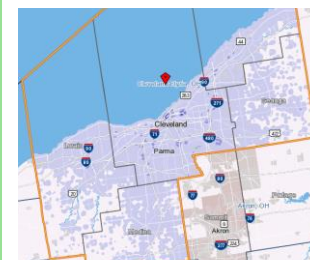
- 263,280 jobs
- NA
- Health Care and Social Assistance
- Professional, Scientific, and Technical Services

Cuyahoga County



- 679,060 jobs
- 5.1 percent
- Health Care and Social Assistance
- Manufacturing
- Administration Waste Service
- Management of Companies and Enterprises

Cleveland-Elyria MSA



- 938,890 jobs
- 4.9 percent
- Health Care and Social Assistance
- Manufacturing
- Administration Waste Service
- Management of Companies and Enterprises

The above labor and industry trend metrics suggests a combination of lower- and middle-income occupations will drive demand for consumer goods and housing in Lakewood. Consequently, the mix of land uses contemplated for the Lakewood Hospital site should be responsive to a diverse mix of household incomes.

¹ The U.S. Labor Department defines a primary job as the principal means of income for a worker, should a worker maintain more than one job.

Methodology: Labor & Industry Trends Analysis

Industry and labor data were gathered from the U.S. Census Bureau's *OnTheMap* data server, as well as from Quarterly Workforce Indicators (QWI) reports. Work area analysis was performed for the most recent available years. Unemployment rate data is provided by the U.S. Bureau of Labor Statistics (BLS), and employment growth projections by industry are provided by the Ohio Department of Job and Family Services. Labor characteristics analyzed include primary job employment, unemployment rates, average monthly earnings, and job creation, among others.

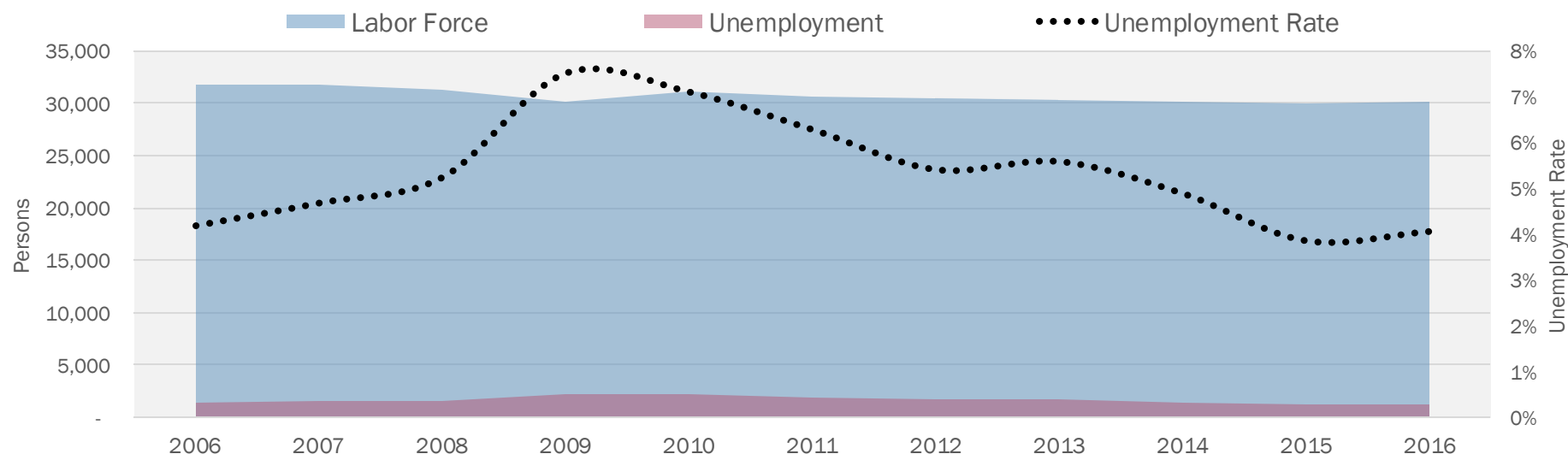
The examination of projected industry and occupational employment data provides necessary insight into the demand for office square footage (current and prospective) within the 15-Minute PMA, and the portion of that demand likely captured within Lakewood (and the LH site).



* Northeast Ohio region includes Ashland, Ashtabula, Columbiana, Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, and Wayne Counties.

Labor Force and Unemployment Trends: City of Lakewood, 2006 - 2016

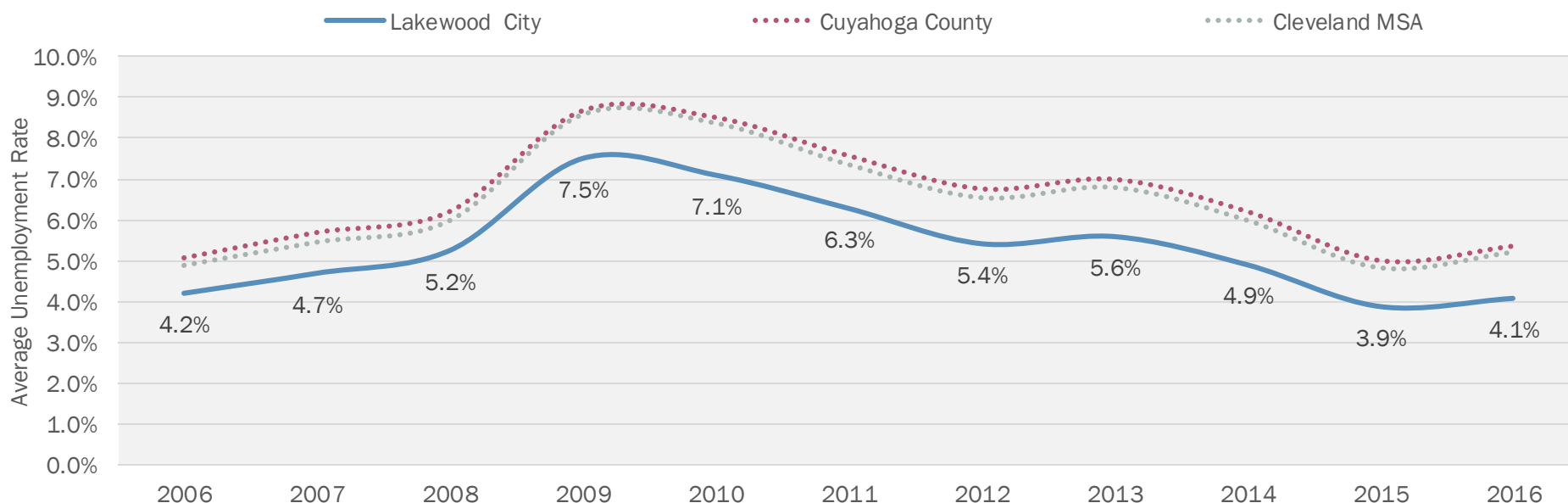
The chart below illustrates City of Lakewood's labor force and unemployment trends, according to projected 2006 to 2016 data provided by the U.S. Bureau of Labor Statistics. As of September 2016, City of Lakewood featured approximately 28,840 employed persons and 1,160 unemployed persons, resulting in a relatively low unemployment rate of 3.9 percent.



Source: U.S. Bureau of Labor Statistics

Unemployment Rates: 2006 - 2016



The chart below compares average annual unemployment rates across all geographies, according to data provided by the U.S. Bureau of Labor Statistics. As of September 2016, City of Lakewood's average unemployment rate (3.9 percent) was lower than that found within the County (5.1 percent), and the MSA (4.9 percent). Although the average unemployment rate in City of Lakewood rose to 7.5 percent in 2009 (the peak of the economic crisis), over the past decade, average unemployment rates in City of Lakewood have remained consistently lower than those within the County and MSA – characteristic of a relatively strong economy. The lower unemployment rate in Lakewood also suggests that demand for local housing options will, likely, rise, as a growing share of newly hired workers seeks to secure housing near their place of employment – a favorable trend for redeveloping the Lakewood Hospital site as a mixed-use project.



Source: U.S. Bureau of Labor Statistics

Top 50 Employers: Cuyahoga County

The tables presented below and on the following page display the top 50 employers within Cuyahoga County by employment, according to June 2014 data provided by Crain Communications Inc. Companies with some presence in the 15-Minute PMA are highlighted below. Three of the county's eight largest employers are health care providers (Cleveland Clinic, University Hospitals, The MetroHealth System). Another top industry employer is the U.S. government (Office of Personnel Management, Cuyahoga County, and the City of Cleveland).

PMA	Rank	Company	Employees	Type of Business
X	1	Cleveland Clinic	31,668	Health care provider
	2	University Hospitals	16,595	Health care provider
X	3	U.S. Office of Personnel Management	11,536	Federal government
	4	Progressive Group of Insurance Cos.	8,765	Insurance and financial company
X	5	Cleveland Metropolitan School District	7,558	Public school district
X	6	Cuyahoga County	7,498	County government
X	7	City of Cleveland	6,608	Municipal government
X	8	The MetroHealth System	6,381	Health care provider
X	9	KeyCorp	4,612	Bank-based financial services company
	10	Case Western Reserve University	4,455	Private university
	11	Swagelok Co.	3,917	Designer and manufacturer of industrial fluid system components
X	12	Sherwin-Williams Co.	3,759	Manufacturer of coatings and related products
X	13	U.S. Postal Service	3,599	U.S. postal service
X	14	Giant Eagle Inc.	3,565	Multi-format food, fuel and pharmacy retailer
X	15	NASA Glenn Research Center	3,200	Government: Aerospace / Defense
X	16	UPS	2,694	Parcel delivery
	17	Lincoln Electric	2,670	Designer, developer and manufacturer of arc welding products
	18	Nestle USA	2,300	HQ for Nestle USA's Prepared Foods, Baking and Pizza divisions, Nestle USA
X	19	Greater Cleveland Regional Transit Authority	2,101	Public transportation
X	20	JACK Entertainment	2,095	Entertainment
X	21	ArcelorMittal	1,934	Steel manufacturer
X	22	Medical Mutual of Ohio	1,800	Health and life insurance
X	23	Southwest General	1,702	Health care provider
	24	Parma City School District	1,579	Public school system
	25	Howard Hanna Real Estate Services	1,578	Residential and commercial real estate

Source: Crain Communications Inc., as of 6/30/2014

Top 50 Employers: Cuyahoga County

PMA	Rank	Company	Employees	Type of Business
X	26	Cleveland State University	1,573	Higher education
X	27	Hyland, creator of OnBase	1,566	Software Developer
X	28	American Greetings	1,564	Product designs and manufacture
	29	Rockwell Automation Inc.	1,436	Provider of industrial automation control and information solutions
X	30	Cuyahoga Community College	1,376	Community college
X	31	Scott Fetzer Co.	1,358	Diversified manufacturer
	32	Safeguard Properties Management LLC	1,251	Inspection and maintenance of defaulted and foreclosed properties
X	33	Ernst & Young LLP	1,213	Assurance, advisory, and tax services
	34	Philips	1,000	Diversified health care and consumer products company
	35	Ganley Auto Group	975	Automobile dealerships, sales and service
X	36	St. Vincent Charity Medical Center	896	Health care provider
	37	Menorah Park	894	Full continuum of care for seniors including residential and community
X	38	Third Federal Savings & Loan	864	Savings and loan
X	39	Federal Reserve Bank of Cleveland	853	U.S. central bank
X	40	Lakewood City School District	826	Public school district
X	41	PPG Industries Inc.	785	Coatings and speciality products company
	42	Eaton	750	Electrical, hydraulic, aerospace, truck and automotive products
	43	Vitamix Corp.	736	Manufacturer of blending equipment for home and commercial use
X	44	Huntington National Bank	717	Financial services
X	45	Northeast Ohio Regional Sewer District	685	Wastewater and stormwater management
X	46	JPMorgan Chase & Co.	675	Financial services
X	47	Forest City Realty Trust Inc.	638	Owner and developer of real estate
	48	Hospice of the Western Reserve	631	Hospice
X	49	Jones Day	625	Legal services
	50	Parker Hannifin Corp.	620	Fluid power systems, electromechanical controls

Source: Crain Communications Inc., as of 6/30/2014

Top 50 Employers: Lakewood

The tables to the right illustrate the top 50 employers within the City of Lakewood, based on 2015 data provided by the City of Lakewood. According to this list, the Cleveland Clinic Foundation is the City's top employer.

Rank	Name
1	Cleveland Clinic Foundation
2	Lakewood Board of Education
3	City of Lakewood
4	New York Life Insurance Co
5	Cuyahoga County Auditor
6	First Mutual Holding Company
7	Graftech International Holdings
8	Riser Foods Company
9	Saint Edward High School
10	The Ohio Bell Telephone Company
11	Ferry Cap & Set Screw Co
12	State of Ohio Admin Svcs
13	Premier Physicians Centers
14	Onix Networking Corp.
15	Lakewood Senior Campus Llc
16	The M F Cachat Company
17	US Dept of Interior
18	Lakewood Health Care Center Inc
19	Key Bank National Association
20	Zaremba Group Llc
21	Galaxy Balloons Inc
22	City of Cleveland
23	Defense Finance Acct Service
24	Newry Corp
25	PNC Bank

Rank	Name
26	ADA Architects Inc
27	United Readers Service Inc
28	RTA Main office Headquarters
29	Lakewood Catholic Academy
30	Hospice Western Reserve
31	Select Restaurants Inc
32	Walgreen Co
33	Regency Construction Co Inc
34	University Tees
35	Hyland Software Inc
36	Lakewood Public Library
37	Lous Corporation
38	Hanson Services Inc
39	American Livery Services Inc
40	Grace Hospital
41	Phil Yedda & Sons Inc
42	Discount Drug Mart Inc
43	DecisionDesk Inc
44	Group Management Services Inc
45	North American Switch Gear Inc
46	Cornucopia Inc
47	The Sherwin Williams Company
48	Crestmont Nursing Home North
49	Tres Amigos Lakewood LLC
50	Cvs Rx Services Inc




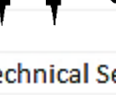



Source: City of Lakewood

Industries by Employment: 2014

Based on 2014 U.S. Census Bureau's primary job data provided by *OnTheMap* (illustrated to the right), the Health Care and Social Assistance sector is the largest industry by employment within City of Lakewood, the 15-Minute PMA, Cuyahoga County, and the Cleveland-Elyria MSA.

While the Accommodation and Food Services sector was the second largest industry by employment within City of Lakewood (1,625 jobs); the Professional, Scientific, and Technical Services sector is the second largest industry by employment within the 15-Minute PMA (26,143 jobs); this industry sector, which includes occupations such as engineers, architects, accountants, general consultants, represents a strong opportunity for small office development on the Lakewood Hospital site.

Total Primary Jobs, 2014

	Lakewood City	15-Minute PMA	Cuyahoga County	Cleveland MSA
Health Care and Social Assistance 	2,323	33,286	132,886	166,990
Accommodation and Food Services 	1,625	19,611	48,245	70,192
Retail Trade 	1,253	20,500	61,126	94,288
Educational Services 	989	16,533	47,701	70,772
Manufacturing 	714	25,434	70,112	123,003
Administrative Waste Services 	673	17,595	45,239	58,001
Other Services 	672	8,090	18,891	26,920
Finance and Insurance	556	14,635	37,956	43,191
Professional, Scientific, and Technical Services	524	26,143	47,111	55,616
Public Administration	365	18,859	25,501	35,040
Construction	335	6,144	20,088	32,904
Real Estate Rental and Leasing	328	4,226	13,023	15,223
Management of Companies and Enterprises	309	12,483	21,862	27,402
Wholesale Trade	249	11,578	35,709	48,927
Information	203	7,910	15,066	17,867
Arts, Entertainment, and Recreation	166	6,441	12,389	15,245
Transportation and Warehousing	154	11,647	22,273	29,061
Utilities	19	1,865	3,263	5,116
Mining	2	282	395	784
Agriculture, Forestry, Fishing and Hunting	-	18	227	2,348
	11,460	263,280	679,060	938,890

*A primary job is defined as the one job for each worker that provides the greatest earnings, should the workers have two or more jobs. Source: *OnTheMap*



Industries by Employment Change: 2010 - 2014

Between 2010 and 2014, the Accommodation and Food Services and Retail Trade sectors (relatively low paying industries) experienced the greatest employment growth within City of Lakewood (adding 456 and 294 new jobs, respectively).

Over the same period, the Management of Companies and Enterprises industry sector (a relatively higher wage industry) experienced the greatest employment growth within the PMA (adding 6,461 new jobs), while the Administration Waste Service sector (offering low- and moderate-wage incomes) saw the greatest employment growth within the County and MSA (adding 8,980 and 10,473 new jobs, respectively).

If the Lakewood Hospital site is to attract higher wage industries, these firms will likely come from outside of Lakewood, but within the 15-Minute PMA.

Primary Job Change, 2010-2014


	Lakewood City	15-Minute PMA	Cuyahoga County	Cleveland MSA
Accommodation and Food Services 	456	1,162	2,593	4,827
Retail Trade	294	749	2,293	4,019
Manufacturing	202	1,802	2,026	6,243
Real Estate Rental and Leasing	110	(324)	762	658
Administrative Waste Services	109	1,691	8,980	10,473
Construction	103	438	2,180	4,244
Professional, Scientific, and Technical Services	99	1,399	2,245	2,330
Management of Companies and Enterprises	83	6,461	6,560	7,369
Public Administration	44	(2,534)	(2,818)	(2,688)
Finance and Insurance	39	(208)	1,647	1,698
Arts, Entertainment, and Recreation	27	2,528	3,516	3,508
Utilities	18	(392)	(432)	(558)
Other Services	17	(267)	154	442
Transportation and Warehousing	8	(580)	(574)	451
Mining	2	16	59	113
Agriculture, Forestry, Fishing and Hunting	(1)	(13)	(113)	(403)
Information	(70)	(1,532)	(2,102)	(1,931)
Health Care and Social Assistance 	(92)	415	5,114	4,085
Educational Services	(112)	(1,271)	(4,139)	(5,385)
Wholesale Trade	(197)	(1,833)	(2,099)	(194)

Source: OnTheMap

Industries by Employment Forecasts: 2012 - 2022

The chart to the right illustrates annualized industry employment growth projections, based on 2012 to 2022 estimates provided by the Ohio Department of Job and Family Services for the Cleveland MSA, the Northeast Ohio region, and the State of Ohio. The Construction industry sector is expected to grow the fastest across all three geographies – principally due to infrastructure investments. While the Health Care and Social Assistance sector is expected to be the second fastest growing industry by employment within all geographies, it is projected to grow fastest in Northeast Ohio and the State (by 2.3 percent, each), than within the MSA (by 2.3 percent).

Employment Forecasts, 2012-2022

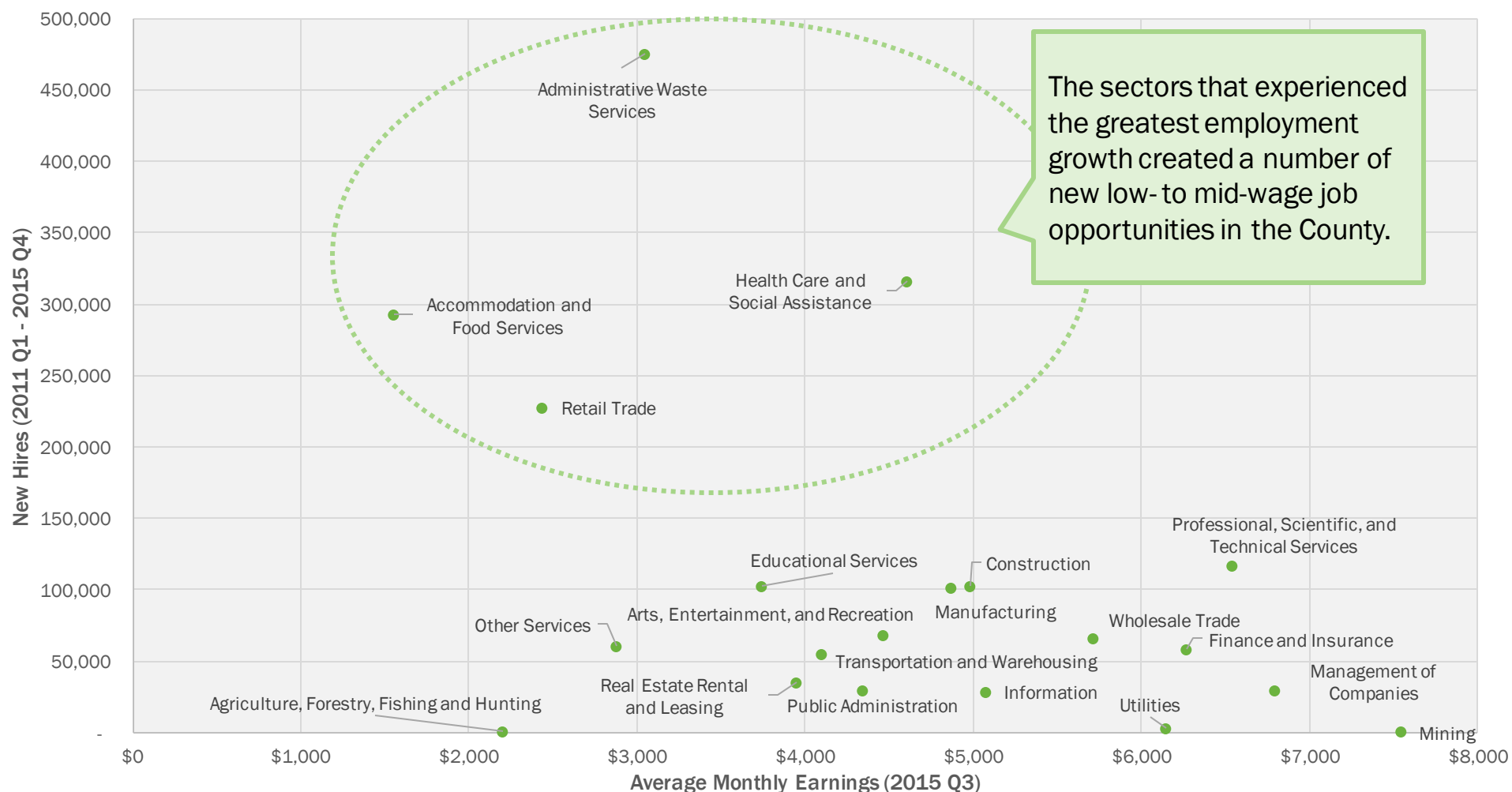


	Cleveland MSA	Northeast Ohio	Ohio
Construction	2.8%	2.3%	2.3%
Health Care and Social Assistance	1.9%	2.2%	2.2%
Professional, Scientific, and Technical Services	1.5%	1.5%	1.9%
Administrative Waste Services	1.5%	1.8%	1.8%
Transportation and Warehousing	1.0%	0.7%	0.8%
Wholesale Trade	1.0%	1.3%	1.0%
Educational Services	0.9%	-0.1%	1.6%
Real Estate Rental and Leasing	0.9%	0.8%	1.0%
Accommodation and Food Services	0.8%	0.6%	0.8%
Other Services	0.7%	0.8%	0.8%
Arts, Entertainment, and Recreation	0.6%	0.6%	0.5%
Finance and Insurance	0.5%	1.9%	0.6%
Management of Companies and Enterprises	0.3%	-0.1%	0.3%
Retail Trade	-0.1%	0.1%	0.2%
Agriculture, Forestry, Fishing and Hunting	-0.2%	-0.2%	-0.2%
Public Administration	-0.2%	-0.4%	0.3%
Information	-0.6%	-0.6%	-0.3%
Manufacturing	-0.7%	-0.8%	-0.3%
Mining	-1.7%	1.9%	0.4%
Utilities	-1.7%	-3.2%	-1.5%

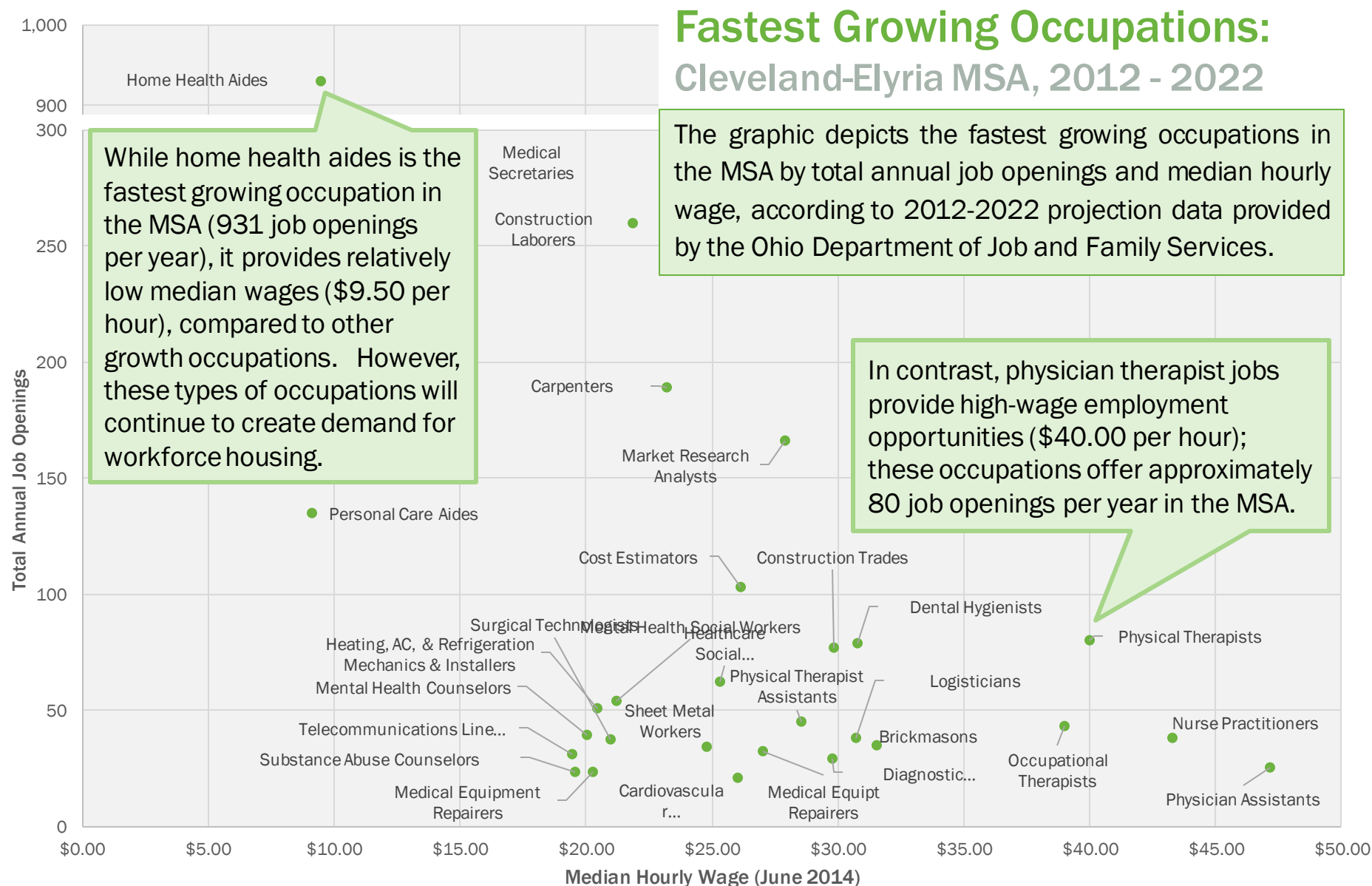
Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information, July 2015

Job Growth by Earnings: Cuyahoga County, 2011 - 2015

This graphic depicts total new job hires in Cuyahoga County from the first quarter of 2011 through 2015, by average monthly earnings, as of the third quarter of 2015.



Source: QWI



Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information, July 2015

REAL ESTATE ANALYSIS

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Methodology: Real Estate Trends And Supply/Demand Analysis

Real Estate Trends Analysis

In order to gain an understanding of local supply, demand, occupancy, and pricing factors for a broad range of land uses surrounding the former Lakewood Hospital site (City of Lakewood and the 15-minute drive-time contour), real estate trends were identified for a variety of land uses inclusive of retail, residential units (town houses, condos, and multi-family rental)), independent living (IL) senior housing, and office.

Interviews with Real Estate Professionals

4ward Planning sought the perspective of real estate professionals experienced with mixed-use, mixed-income urban development/redevelopment to understand current development/redevelopment market opportunities and challenges surrounding the former Lakewood Hospital site.

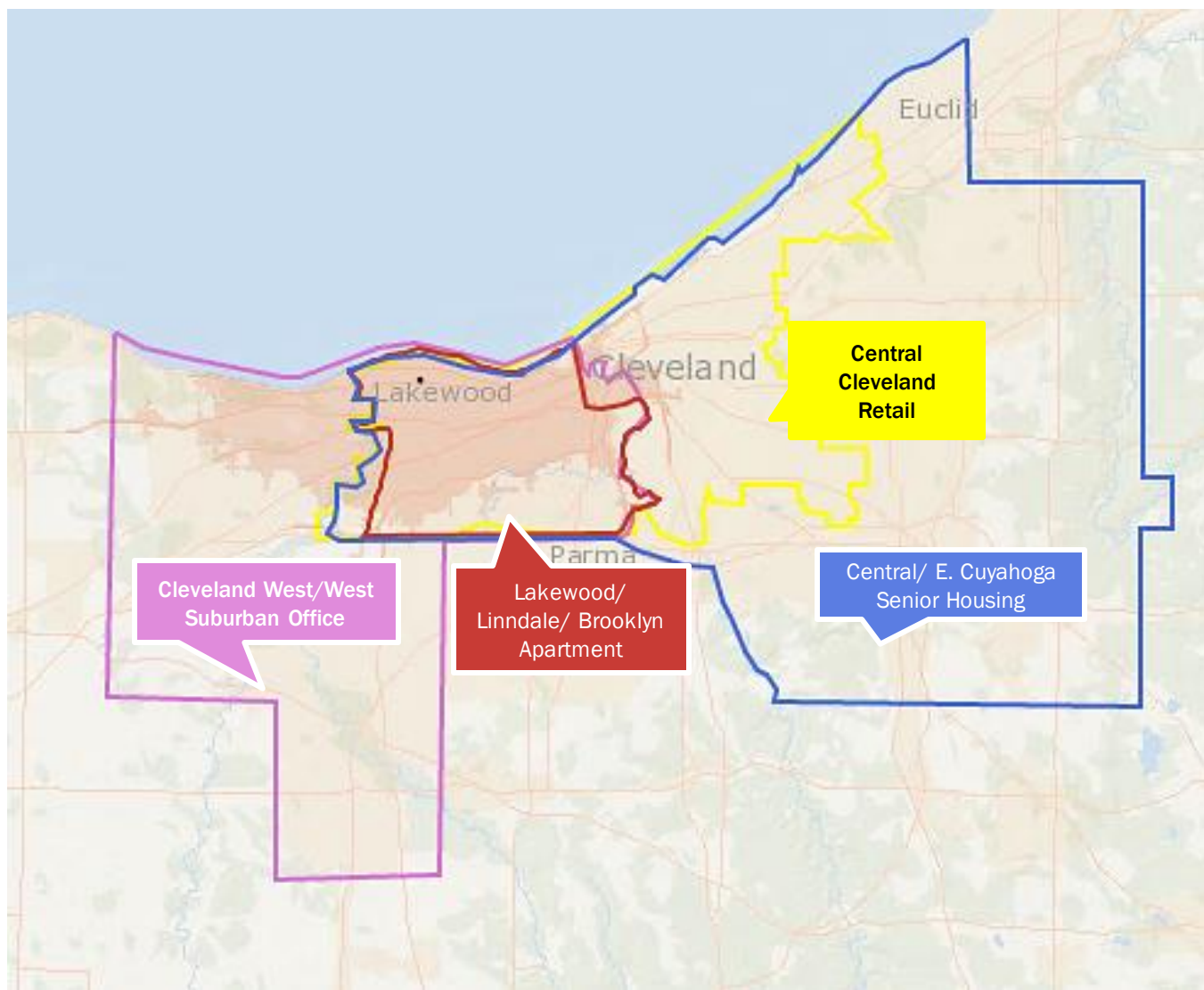
Real Estate Supply/Demand Analysis

Based on the quantitative and qualitative analyses and findings identified in the preceding tasks, 4ward Planning conducted a supply/demand analysis, identifying prospective areas of unmet demand for multi-family residential (including IL housing), retail (convenience and specialty), and office product within the PMA - a portion of which could, potentially, be captured within the former Lakewood Hospital site.

Methodology: Real Estate Submarkets

The map to the right illustrates Lakewood Hospital's corresponding real estate submarkets, as defined by Reis, a national purveyor of multi-family rental, retail, office and industrial real estate data trend metrics.

While real estate submarket boundary areas can (and do) vary, the sub-market areas shown, generally, comport with the real estate submarkets recognized by most professional real estate brokerage firms.



Multi-Family Residential Trends & Supply/Demand Analysis

Key Findings: Multi-Family

235 units in Lakewood's development pipeline

According to 2010 to 2016 pipeline data provided by City of Lakewood, there have been five multi-family projects completed within the City since 2010 (largely renovations). Currently, there are two townhome projects and one apartment project either under construction or being planned. These three projects, combined, will likely add approximately 235 new dwelling units (townhomes and apartments) to Lakewood, over the next few years.



Extremely tight multi-family housing market

Vacancy rates in the Lakewood multi-family submarket have been steadily declining since 2009. As of third-quarter 2016, the multi-family submarkets vacancy rate was just 2.5 percent - a sign of an extremely tight rental market, further confirmed by interviews with local real estate professionals.



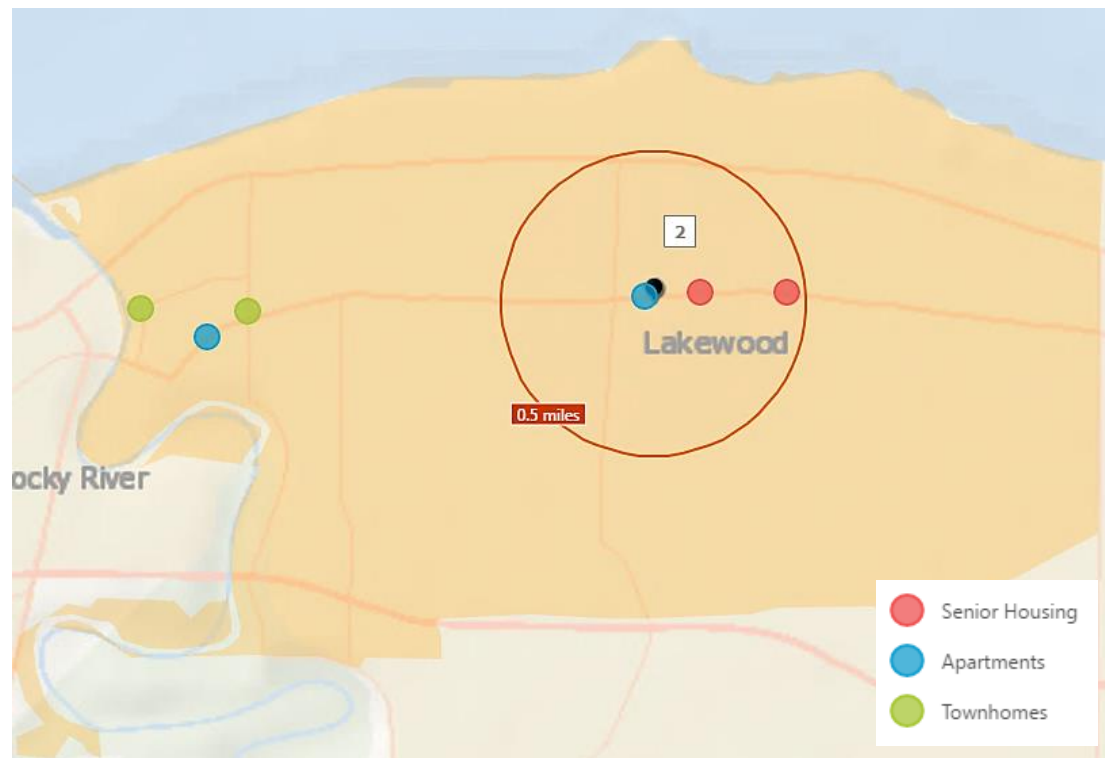
Demand for between 116 and 348 units by 2025

Assuming between one- and three-percent of net housing demand (identified at 11,597 units) within the 15-Minute PMA could be captured within the former Lakewood Hospital site, the site could adequately support the development of between 116 and 348 residential units by 2025. The analysis demonstrates that despite relatively flat household formation, demand is generated by a combination of pent-up need from area workers who currently commute into the 15-Minute PMA, and replacement of a portion of physically obsolescent housing.



Residential Pipeline: City of Lakewood

According to 2010 to 2016 pipeline data provided by City of Lakewood (summarized in the table below and mapped to the right), there have been five multifamily residential projects completed within the City since 2010. Currently, there are two townhome projects and one apartment project either under construction or being planned. These three projects, combined, will likely add approximately 235 new dwelling units (townhomes and apartments) to Lakewood, over the next few years.



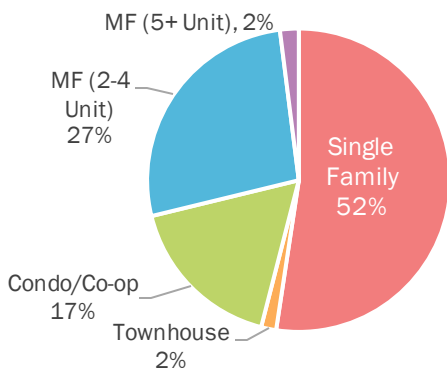
Name	Status	Address	Subcategory	Type	Value	Pipeline Units
Red Door Living	Completed (2015)	18240 Detroit Ave.	Apartments	Renovation	\$320,000	-
Westerly Campus	Completed	14300 Detroit Ave.	Senior Housing	Renovation	\$7,900,000	-
O'Neill Healthcare	Completed (2012)	13900 Detroit Ave.	Senior Housing	Renovation	\$825,000	-
Westerly 1	Completed (2014)	14312 Detroit Ave.	Senior Housing	Renovation	\$750,000	-
Clifton Pointe	Completed (2013)	1300 Sloane Ave.	Townhomes	New Construction	\$13,000,000	-
McKinley Place	Under Construction	1381 W Clifton Blvd.	Townhomes	New Construction	\$14,000,000	40
Rockport	Planned	1422 Hopkins	Townhomes	New Construction	\$12,000,000	51
Lakewood Center North	Planned	14600 Detroit Ave.	Apartments	Conversion	\$12,000,000	144
					\$60,795,000	235

Source: City of Lakewood; 4ward Planning Inc., Sept, 2016

Home Sales: City of Lakewood

According to data provided by Redfin, approximately half of the homes sold within the past six months were single-family homes. Although they represent just two percent of recent home sales, townhomes have the highest average sale price in Lakewood (both total and on a square-foot basis).

Recent Home Sales: Lakewood



Source: Redfin, January, 2017

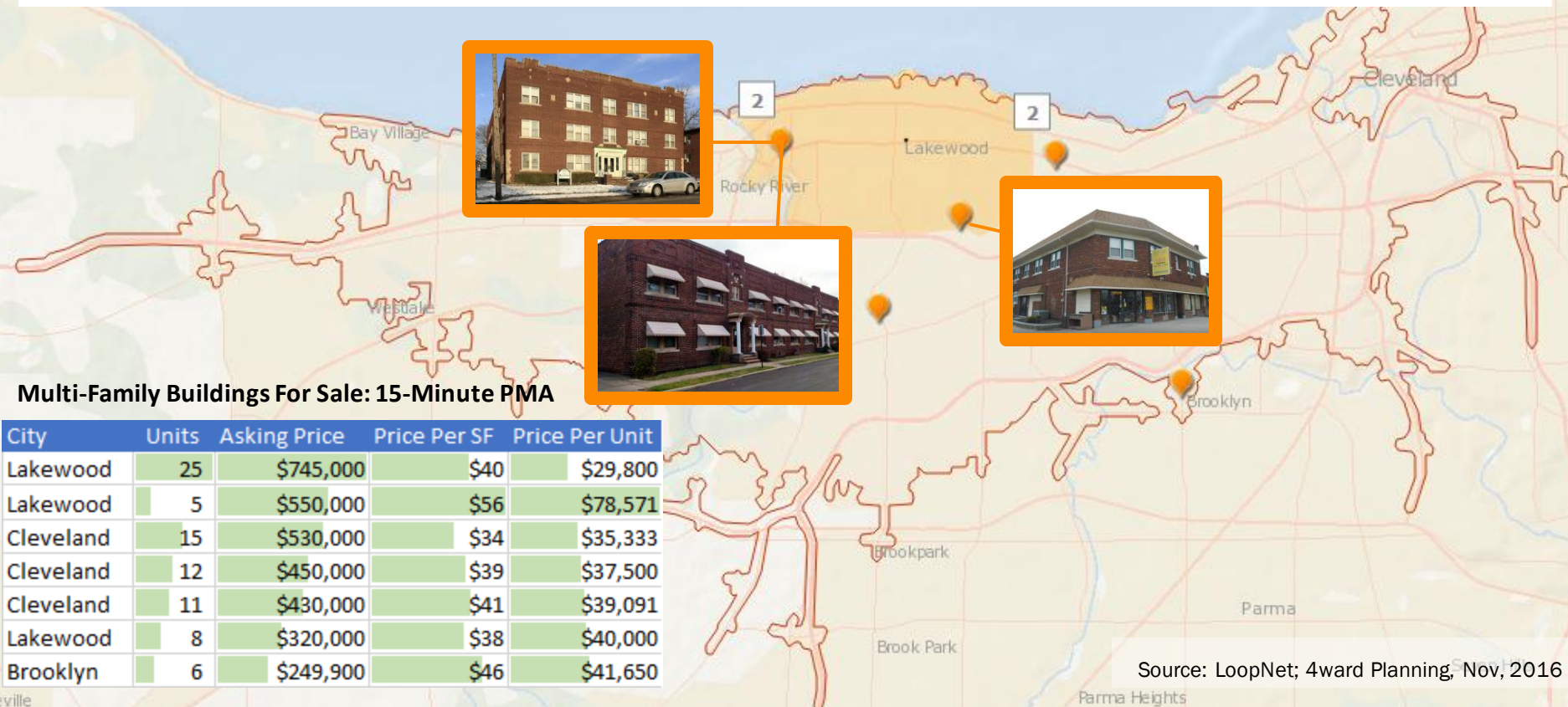


Recent Home Sale Characteristics: Lakewood (Six Months)

	Single Family	Townhouse	Condo/Co-op	MF (2-4 Unit)	MF (5+ Unit)
Sales	131	4	43	67	5
Average Price	\$166,620	\$219,525	\$144,378	\$141,218	\$204,890
Average SF	1,604	1,699	1,188	2,337	6,495
Avg. Price per SF	\$103	\$124	\$112	\$61	\$31
Avg. Days on Market	46	35	47	45	36
Avg. Year Built	1919	2005	1976	1921	1924
Avg. Bdr. Size	3.5	3.3	3.7	3.5	3.0

Available Multi-Family Inventory: 15-Minute Drive Time

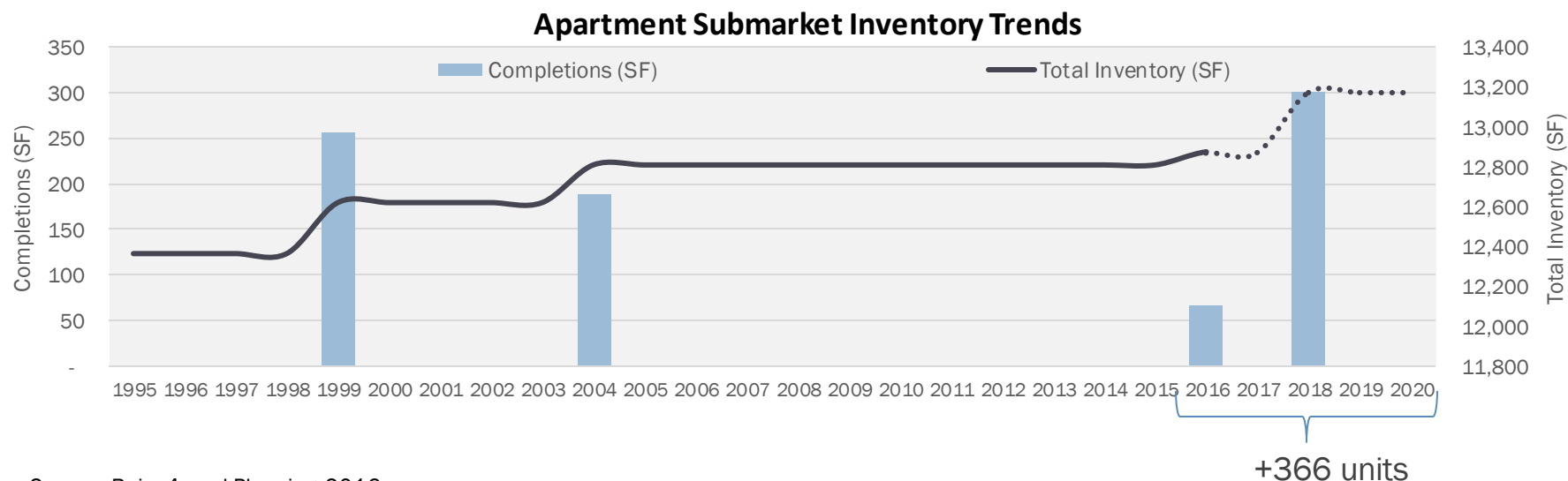
According to data provided by LoopNet, a national purveyor of commercial and industrial real estate data, there are seven multi-family properties for sale (all garden/low-rise) within the 15-minute drive-time contour (identified below). Asking sale prices for the three multi-family properties for sale within City of Lakewood ranged from approximately \$745,000 (\$29,800 per unit) for a 25-unit multi-family building to \$320,000 (\$40,000 per unit) for an eight-unit multi-family building.



Multi-Family Inventory: Lakewood Apartment Submarket

According to third-quarter 2016 data provided by Reis, there are 12,800 apartment units within the Lakewood/Linndale/Brooklyn Apartment Submarket (henceforth “Lakewood Submarket”). While no new apartments in this submarket have been completed since 2004, Reis expects that another 366 new units will be completed within the Submarket over the next four years – generally consistent with data estimates provided by the city of Lakewood.

Further, as the PMA’s employment market is continuing to create a large number of low- and moderate income jobs, the demand for more multi-family units in the submarket will only increase in the near-term.

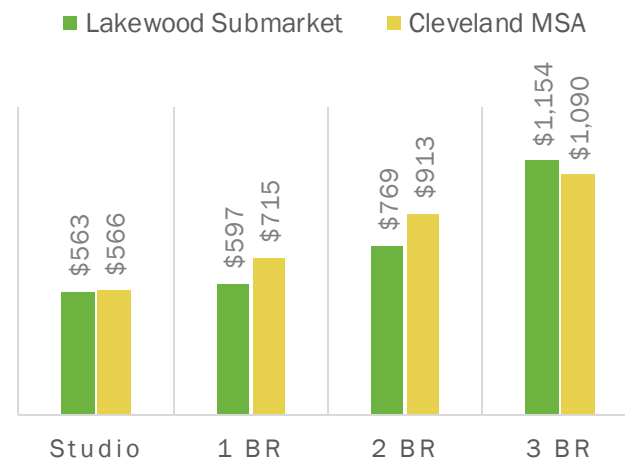


Source: Reis; 4ward Planning 2016

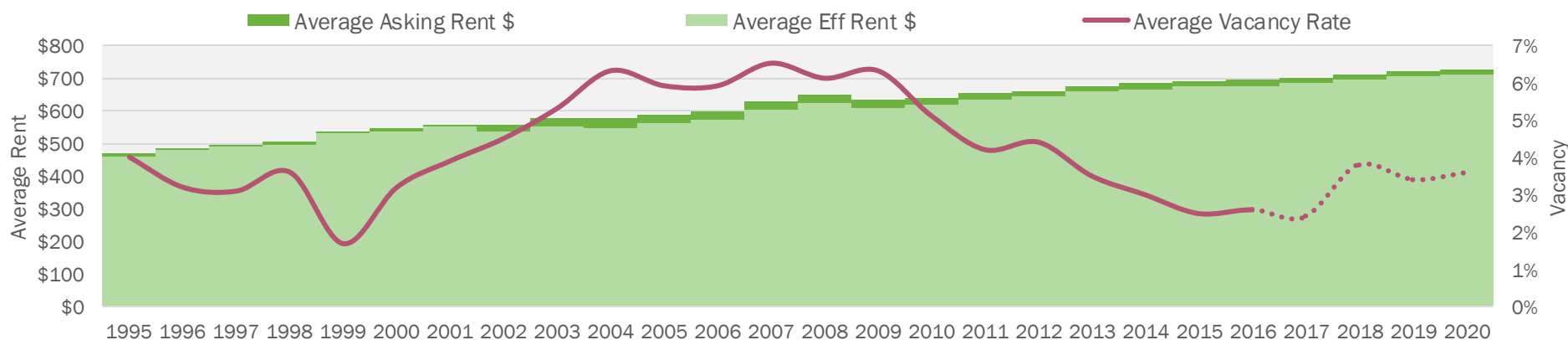
Multi-Family Asking Rents & Vacancy

According to Reis, as of third-quarter 2016, the average asking rent within the Lakewood Submarket was approximately \$690 per month. As illustrated to the right, while average apartment rents vary by bedroom size, they are, generally, comparative with average rents within the Cleveland MSA, overall. The chart below shows that vacancy rates in the rental submarket have been steadily declining since 2009. As of third-quarter 2016, the submarket's vacancy rate was just 2.5 percent - indicating an extremely tight apartment submarket, further confirmed by interviews with local real estate professionals. As new units are completed over the next few years, Reis expects that vacancy rates will increase slightly, to 3.6 percent by 2020.

Apartment Asking Rent



Apartment Submarket Rent and Vacancy Trends



Source: Reis; 4ward Planning 2016

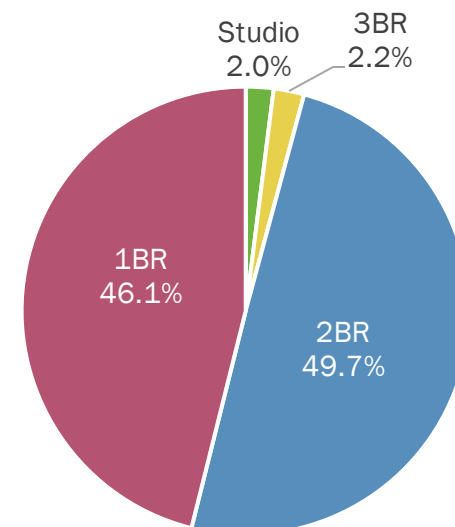
Multi-Family Inventory: Lakewood Submarket

According to Reis, nearly 96 percent of the total apartment inventory within the Lakewood Submarket is composed of either one- or two-bedroom units (49.7 and 46.1 percent, respectively). A relatively small 2.0 percent and 2.2 percent of inventory is comprised of studios and three-bedroom units, respectively. On average, apartments built before 1970 (composing 82 percent of the Submarket's inventory) had the lowest asking rent (\$643 per month), while vacancy rates were highest for apartments built between 2000 and 2009 (4.1 percent). Given the scant inventory of studio apartment units, as well as the fact that a large share of the apartment inventory was built before 1970, the hospital site can be positioned to accommodate new studio units designed for local area workers, in addition to commercial uses.

Apartment Submarket Building Age Characteristics

Year Built	Inventory By Building Age	Vacancy Rate By Age	Asking Rent by Age
Before 1970	82%	2.7%	\$643
1970-1979	10%	1.2%	\$873
1980-1989	0%	NA	NA
1990-1999	5%	0.0%	\$889
2000-2009	4%	4.1%	\$876
After 2009	0%	NA	NA
All	100%	2.5%	\$690

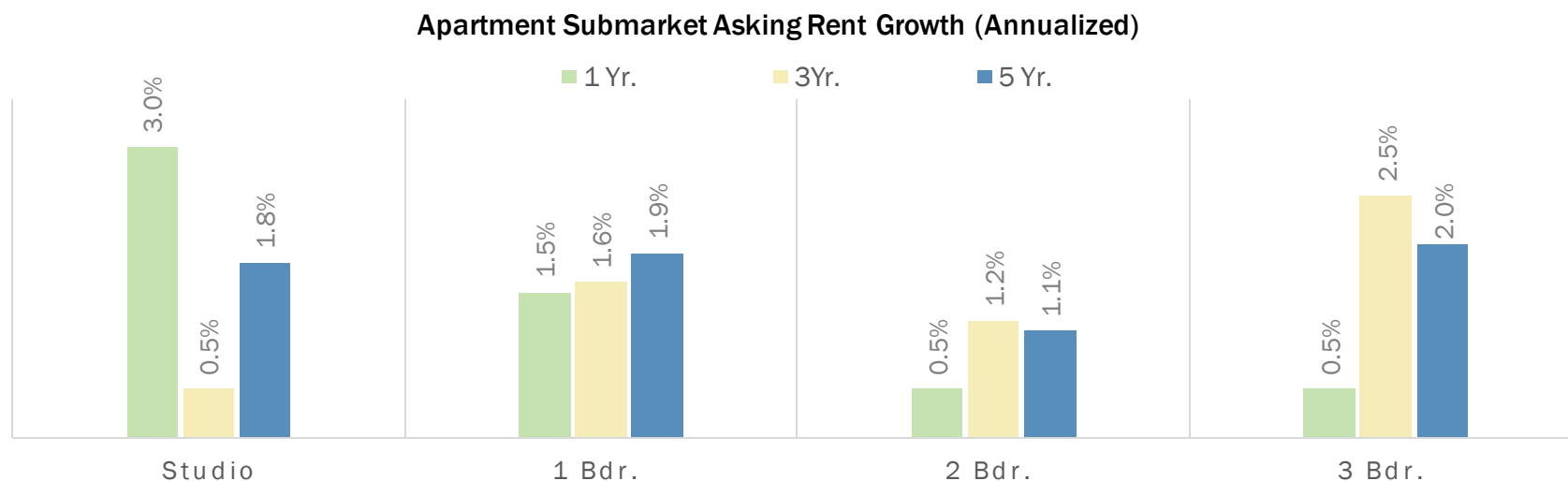
Apartment Submarket Bedroom Unit Mix



Source: Reis; 4ward Planning 2016

Multi-Family Asking Rent Growth

According to Reis, annualized asking-rent growth within the apartment submarket, over the next five years, is projected to be lowest for two-bedroom units (1.1 percent per year) and highest for three-bedroom units (2.0 percent per year). Over the next year, however, studio units, in particular, are expected to experience the highest rising annualized rent growth (3.0 percent per year), as increased demand for such units outstrips existing supply. Again, the Lakewood Hospital site could be well positioned to accommodate the supply of studio units, in addition to other land uses, helping to reduce upward pressure on studio rental rates. As regards three-bedroom units, current household formation trends suggest that relatively few of these units should be developed as part of a multi-family development project.



Source: Reis; 4ward Planning 2016

Supply/Demand Analysis: Key Demand Scenario Assumptions

Net Household Formation from 2016 to 2026 Based on Esri's Household Growth Forecasts

Households within the 15-Minute PMA are projected to decrease by 1,040 from 2016 to 2025, declining by 0.1 percent per year.

Employment Growth Based on a Modest Average Annual Growth Rate of 0.8 Percent over 2014 Base Employment

Based on 2014 employment data provided by *OnTheMap* and 2012 to 2022 employment by industry projections provided by the Ohio Department of Job and Family Services for the Cleveland-Elyria-Mentor MSA, those employed within the 15-Minute PMA are projected to increase by approximately 19,880, from 2016 to 2025.

7 out of 100 Workers in the 15-Minute PMA, but Living Elsewhere, Represent Pent-Up Demand

Approximately 69 out of every 100 workers commute from outside the 15-Minute PMA. It is assumed seven out of every 100 of these workers would trade their commutes if adequate housing choice was available.

Housing Vacancy Projections Based on Esri's Vacancy Projections

Housing vacancy is based on Esri's current (12.8 percent) and projected vacancy rate (13.1 percent) for the 15-Minute PMA.

Half of the Vacant Housing Stock in the 15-Minute PMA is Physically Obsolescent or Unmarketable

In 2015, Lakewood had an average housing vacancy rate of 10.3 percent, however 51 percent of these vacant housing units were not available to rent or purchase but vacant due to "other" reasons (e.g. repairs, foreclosure, or personal). It is assumed that half of the vacant housing stock in the 15-Minute PMA is not available due to being physical obsolescence or unmarketable.

One-percent of Remaining Housing Stock Becomes Obsolescent Annually

All housing stock gradually wears out over time and, on average, one out of every 100 units becomes obsolescent, annually.

Demand by Tenure will Reflect Top Tapestry Segments with Preferences for Multi-Family Housing

Forty percent of new-unit demand within the 15-Minute PMA is estimated to be for rental housing.

Supply/Demand Analysis: 15-Minute PMA

	2016	2020	2025
Housing Demand Metrics			
<i>Households (each household in radius represents demand for one housing unit)</i>	104,320	103,900	103,380
<i>Estimated Workers within 15-Minute Drive</i>	267,510	276,170	287,390
<i>Estimated Workers Residing Outside 15-Minute Drive (69%)</i>	181,660	190,560	198,300
<i>Estimated Pent-Up Housing Unit Demand from Commuting Area Workers (5%)</i>	12,720	13,340	13,880
<i>Estimated Aggregate Housing Unit Demand in 15-Minute Drive</i>	117,040	117,240	117,260
Housing Supply Metrics			
<i>Estimated Housing Units in 15-Minute Drive</i>	119,670	119,670	119,905
<i>Vacant Housing Units</i>	15,320	15,680	15,710
<i>Naturally Occuring Vacant Units (5%)</i>	5,984	5,984	5,995
<i>Subtract Physically Obsolescent or Unmarketable Units (50% other vacant)</i>	7,660	7,840	7,855
<i>Subtract New Physically Obsolescent Units (1% annual obsolescence rate)</i>	-	306	392
<i>Add New Units to Add (based on housing pipeline report estimates)</i>	-	235	-
<i>Estimated Net Marketable Housing Units in 15-Minute Drive</i>	106,027	105,775	105,663
Net Housing Demand/Supply Calculation			
<i>Estimated Aggregate Housing Unit Demand in 15-Minute Drive</i>	117,040	117,240	117,260
<i>Subtract Estimated Net Marketable Housing Units in 15-Minute Drive</i>	106,027	105,775	105,663
<i>Net Housing Unit Demand/(Excess Units) (Assumes no new housing beyond 2020)</i>	11,014	11,465	11,597

Source: 4ward Planning Inc. 2017

Takeaway: Multi-Family Housing Demand/Capture: By 2025

Assuming between one and three percent of net housing demand within the 15-Minute PMA (11,597 units) could be captured with the former Lakewood Hospital site, the site could adequately support the development of between 116 and 348 residential units by 2025. The analysis demonstrates that despite relatively flat household formation, demand is generated by a combination of pent-up need from area workers who currently commute into the 15-Minute PMA, and necessary replacement of physically obsolescent housing.

The table below presents the likely distribution of housing demand across different demographic categories, based on key socio-economic drivers and feedback from interviews with real estate professionals, who noted a strong presence of young professionals and empty nesters with a preference for multi-family housing options.

Share of Housing by Various Demographic Categories – 15-Minute PMA

	2016	2020	2025
Owner-Occupied (60%)	6,608	6,879	6,958
Renter-Occupied (40%)	4,405	4,586	4,639
1-Bdr (45%)	4,956	5,159	5,219
2-Bdr (35%)	3,855	4,013	4,059
3+ Bdr (20%)	2,203	2,293	2,319
HH Income \$75k or Greater (45%)	4,956	5,159	5,219
HH Income \$40k to \$74.9K (35%)	3,855	4,013	4,059
HH Income \$39.9k and Less (20%)	2,203	2,293	2,319
Age 29 or Younger (30%)	3,304	3,439	3,479
Age 30 to 54 (35%)	3,855	4,013	4,059
Age 55 or Older (35%)	3,855	4,013	4,059
Total	11,014	11,465	11,597

PMA Demand and Project Capture

	2016	2020	2025
15-Minute PMA Demand	11,014	11,465	11,597
Project Capture (3%)	330	344	348
Project Capture (1%)	110	115	116

Source: 4ward Planning Inc. 2017

Case Study: Lincoln Park, Chicago

Situated in the heart of Chicago's North Side, Lincoln Park's former Children's Memorial Hospital sat vacant for four years, after the Hospital moved its operations to the campus of Northwestern University in 2012. Relocation of hospital operations meant the loss of approximately 4,500 visitors to the neighborhood each day, which affected local business owners relying upon such traffic. After the lengthy community debate over the fate of the site, demolition of some of the former hospital's circa-1960s structures in early 2016 has given way to a new mixed-use development encompassing two 19-story buildings, with a total of 540 luxury apartments; 60 for-sale, low-rise condos; a 156-room senior-housing facility, and approximately 160,000 square feet of retail and commercial space. Several existing structures are being adaptively reused, and some of the residential units will qualify for affordable housing designation. More than 57,000 square feet of new public open space, including a landscaped central

plaza, gardens, fountains, and a children's play area, is also being woven into the larger redevelopment design. The project's broad mix of tenants and uses is intended to bring new vitality and economic health to this recently dormant corner of Lincoln Park.

Lincoln Park Redevelopment at a Glance:

Located at the intersection of Fullerton Parkway, Lincoln Avenue, and Halsted Street, the six-acre Lincoln Park mixed-use site is slated for completion between late 2018 and early 2019.

Sources: "Big Muscle Brought in to Help Redevelop Lincoln Park Children's Hospital Site," www.chicagoarchitecture.org (2015); Lincoln Park Chamber of Commerce, www.lincolnparkcommerce.com; McCaffery Interests and Hines, www.mi-cmh.com; Koziarz, Jay "After Four Years of Vacancy Lincoln Park's Old Children's Hospital is Nearly Gone," *Curbed Chicago* (2016); Sun-Times Staff "Coming Rebirth of Children's Memorial Hospital Site Brings Relief to Lincoln Park," *Chicago Sun Times* (2016)



Photos: Renderings of Lincoln Park redevelopment structures: McCaffery Interests and Hines

Case Study: Lincoln Park, Chicago (continued)

Key Stakeholders and Funding: In 2014, the *Chicago City Council* approved plans for the \$350 million mixed-use redevelopment of Lincoln Park's former Children's Memorial Hospital site, proposed by local developer, *McCaffery Interests, Inc.*, which estimated the generation of over \$120 million in new City taxes and an overall economic impact of \$3.5 billion. In 2015, after a drawn-out, sometimes contentious process, McCaffery brought *Hines*, a Houston-based "mega developer" with several projects in Chicago, into its current development partnership team.



Photos: The former Lincoln Park Children's Hospital Redevelopment site: Office of Chicago's 43rd Ward; Former Lincoln Park Children's Hospital: Bike Walk Lincoln Park

Key Drivers and Catalytic Decisions:

- Priority was given to making the new Lincoln Park development aesthetically and functionally compatible with the larger neighborhood, as well as including a representative tenant mix, all of which extended the planning process.
- Approval of the redevelopment plan was not without conflict, as some local groups opposed several elements of the plan, including construction of the two high-rise apartment buildings.
- The community debate over the former hospital's redevelopment, though drawn-out, offered public forums in which local stakeholders could gather information and voice their concerns.
- The redevelopment plan offers substantial investment in public infrastructure - improving the vehicular, bicycle, and pedestrian traffic experience.
- The project is deemed transit-friendly, with the Fullerton CTA stop located just three blocks away.
- Targeting LEED silver certification, the project is being governed by sustainable design and construction practices.

Case Study: Herndon, Virginia

The Town of Herndon's decades-long vision of the comprehensive redevelopment of its downtown became a course of action once the Herndon Town Council adopted its Downtown Master Plan in 2011. The master plan outlined redevelopment of 4.675 acres of Herndon's historic downtown - between Station, Center, and Elden Streets, and the Washington and Old Dominion Trail - which would be characterized by mixed-use residential and commercial structures, as well as an arts center and attractive public spaces. Finally, in late 2016, after its RFP announcement and subsequent review of submissions, the Town Council selected the winning proposal, which includes the development of 281 apartments; 17,600 square feet of ground-floor retail space, lined by inviting walkways and



Photos: Renderings of the Herndon redevelopment site: Torti Gallas + Partners

plazas; an 18,000-square-foot art center; and a 761-space jointly-funded public/private parking structure. Prior to breaking ground on Herndon's new downtown mixed-use development, whose completion is expected in late 2019, the developer will draft a comprehensive agreement with the Town of Herndon, followed by a public hearing and input session, projected for late spring 2017.

Herndon, Virginia at a Glance:

Located in Fairfax County, Virginia, within the metropolitan area of Washington D.C., the Town of Herndon is home to over 24,000 residents. Incorporated in 1879, Herndon began its life as a town of dairy farms and a country stop along the railroad line to Washington. Today, Herndon is a diverse, relatively young community (median age of 33.9) whose population has relied upon its proximity to the nation's capital (within a 25-mile drive) for work, shopping, and recreation.

Sources: Moore, Ken "Impact Herndon's Look Forever" and "Weighing in: Downtown Herndon Reaction," www.herndonconnection.com (2016); Neibauer, Michael "Here's the Winner in the Downtown Herndon Redevelopment Contest," Washington Business Journal (2016); The Town of Herndon, <http://www.herndon-va.gov/>;

Case Study: Herndon, Virginia (continued)

Key Stakeholders and Funding: In May of 2015, the *Herndon Town Council* purchased an additional 1.67 acres of land from *Ashwell, LLC* for \$3.519 million, to add to the three acres it already owned in Herndon's historic downtown, clearing the way for a comprehensive redevelopment project, in accordance with the Downtown Master Plan adopted by the Town Council in 2011. After an approximate eight-month review of two competing proposal submissions and several public forums sponsored by the Town Council, the *Town of Herndon* awarded *Comstock Partners LC*, a Reston, Virginia-based development partnership of *Comstock Partners* and *Torti Gallas + Partners*, the 4.675-acre Herndon redevelopment project in late 2016.

Key Drivers and Catalytic Decisions:

- Public hearings and input were an *essential* component of the proposal award process, as they will be part of the upcoming implementation process; the Herndon Town Council encouraged residents to submit written and online feedback over several months, prior to its decision.
- Comstock, the developer, will be managing the 281 residential rental units after the project's completion. Many local stakeholders and residents viewed the developer's ongoing, unified management of the property as an attractive element of its proposal.
- The competing, outbid developer included for-sale condominiums, townhouses, and a boutique hotel in its proposal.
- There was a great difference between the two developers' construction timelines (two years versus five years) and cost estimates. The shorter, less costly plan was chosen.
- Comstock emphasizes its dedication to creating an authentic space that honors smart, attractive, and sustaining town growth, supportive of civic, residential, and commercial uses.



Photos: ArtSpace Herndon building, slated for redevelopment: Michael Neibaer/Washington Business Journal; Buildings in downtown Herndon, prior to redevelopment: Ken Moore/Hemdon Connection

Retail Real Estate & Supply/Demand Analysis

Key Findings: Retail Real Estate Analysis

Households come to the half-mile radius area to shop

According to data provided by Esri, the half-mile area surrounding the former Lakewood Hospital site is experiencing a “surplus” of retail sales in nearly all of the selected convenience retail and dining categories highlighted below - meaning that people either travel from outside the trade area to shop and/or people living within the trade area consume more than would be typically expected, given their income levels. Within all geographies, health and personal care stores, in particular, are experiencing the most “surplus” of retail sales.



Lakewood households leave to buy groceries

City of Lakewood is experiencing a relatively large “leakage” in grocery store retail sales (\$3,240 per household) - meaning that either people living within the trade area shop outside the trade area, or people living within the trade area consume less than would be expected given their income levels. In contrast, the half-mile radius area is experiencing a “surplus” of grocery store retail sales. The half-mile radius area is well-served by grocery stores (e.g., Marc’s and Giant Eagle).



Potential to capture unmet food-related retail demand

Based on retail supply/demand analysis, there currently is a net new demand for special food services within the City of Lakewood and limited-service eating establishments within the 15-Minute PMA. Some of this demand could potentially be captured within the former Lakewood Hospital site, in the form of ground-floor restaurants and café businesses.

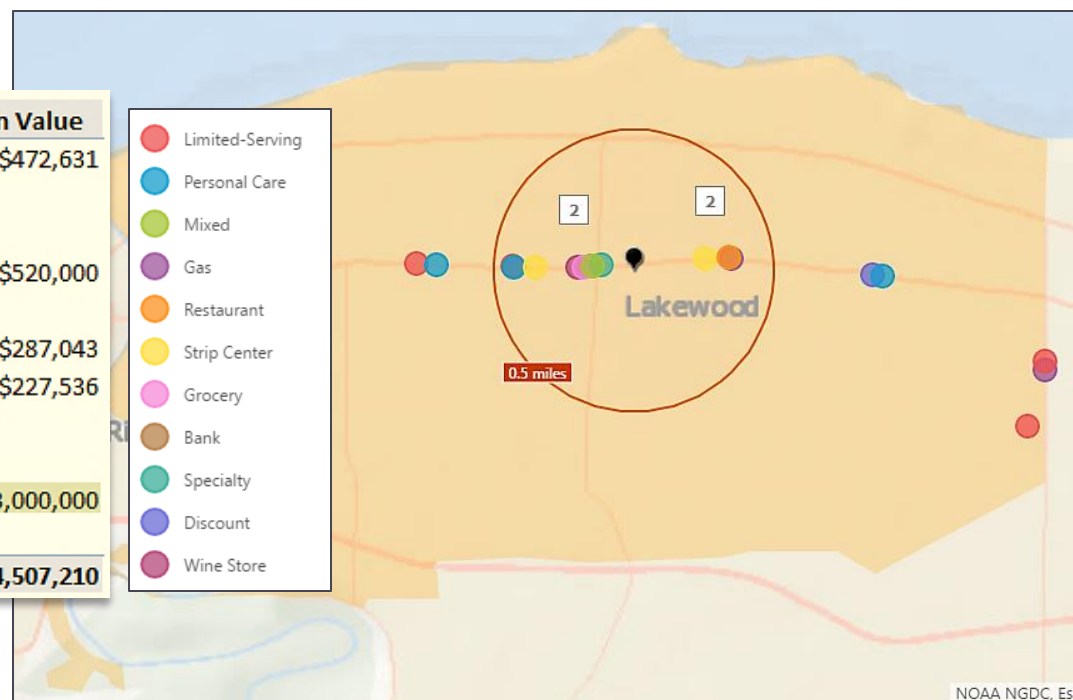


Recent Retail Development: City of Lakewood

The City of Lakewood has benefitted from recent retail renovations and new construction. According to 2010 to 2016 development data provided by City of Lakewood (summarized and mapped below), there have been 20 retail projects completed within the City since 2010, totaling over \$10.9 million in value for new construction projects and \$4.5 million in value for renovation projects. Seventeen of these retail projects are located along Detroit Avenue (where retail vacancy remains below 10 percent), with 11 of these projects specifically located within the half-mile radius of the former Lakewood Hospital site. The relatively strong trend in retail business investment is a favorable sign for additional retail related investment to occur on the Lakewood Hospital site.

Retail Project Completed Since 2010

Subtype	Projects	Construction Value	Renovation Value
Bank	1		\$472,631
Discount	1	\$846,500	
Gas	2	\$2,772,095	
Grocery	1		\$520,000
Limited-Serving	4	\$2,545,000	
Mixed	2		\$287,043
Personal Care	3	\$2,821,500	\$227,536
Restaurant	2	\$730,000	
Specialty	1	\$255,000	
Strip Center	2	\$950,000	\$3,000,000
Wine Store	1		
Grand Total	20	\$10,920,095	\$4,507,210

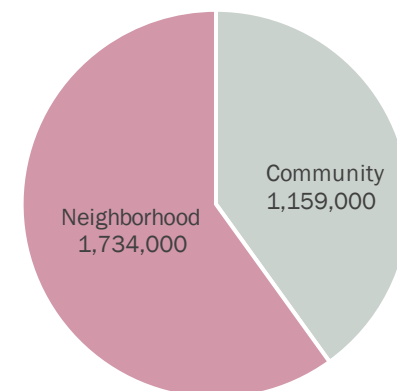


Source: City of Lakewood; 4ward Planning Inc., Esri, Sept 2016

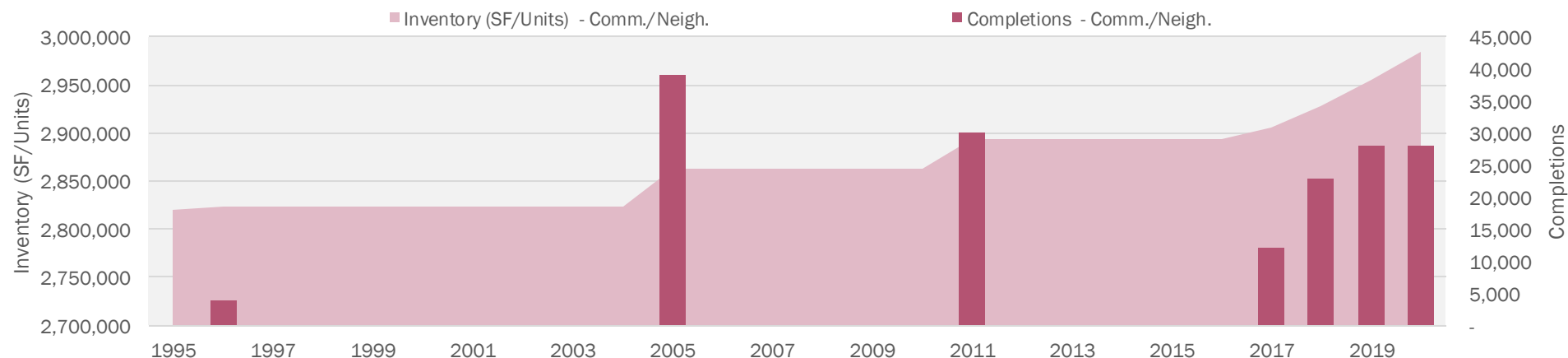
Retail Inventory: Central Cleveland Submarket

According to second-quarter 2016 data provided by Reis, within the Central Cleveland Retail submarket, there is over 1.7 million square feet of neighborhood shopping center space (shopping complexes constructed around a supermarket and/or drug store anchor, with 30,000 to 150,000 square feet of gross leasable area, or GLA) and 1.1 million square feet of community shopping center space (retail property offering a wider range of apparel and general merchandise with GLA between 100,000 to 350,000 square feet, and generally anchored by one to two Big Box stores). Over the next five years, Reis expects that an additional 91,000 square feet of neighborhood and community shopping center space will be completed within the submarket.

**Retail Inventory, Central Cleveland Submarket
2Q 2016**



Retail Inventory Trends: Central Cleveland Submarket



Source: Reis; 4ward Planning 2016

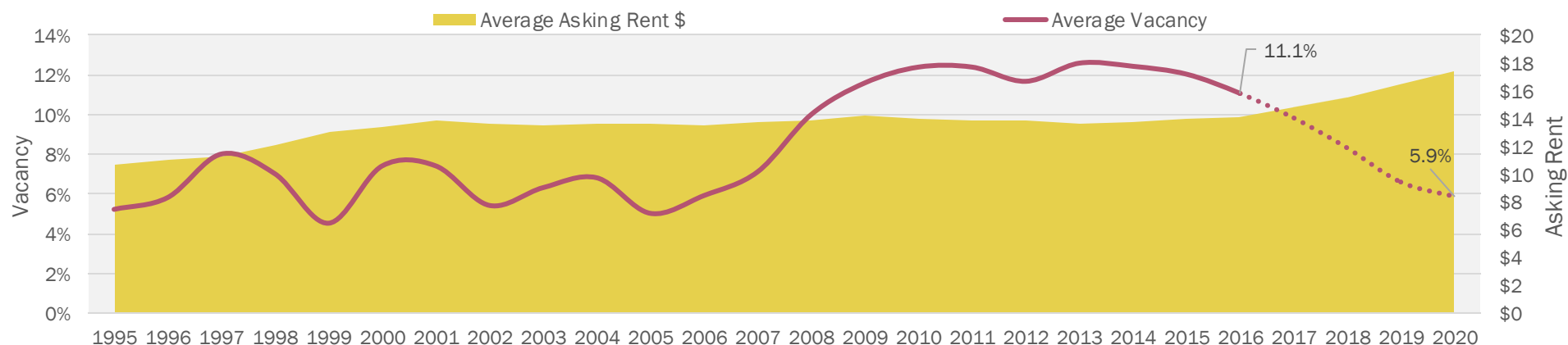
Retail Vacancy and Rent Trends: Central Cleveland Submarket

According to second-quarter 2016 data provided by Reis, within the Central Cleveland Retail submarket, the average vacancy rate for neighborhood and community shopping center space is 11.1 percent (well above the average annual vacancy rate trend observed from 1995 through 2007). However, over the next five years, Reis expects the average annual vacancy rate for neighborhood and community retail centers will decline to 5.9 percent (indicative of the observed investment in local commercial buildings along Detroit Avenue). Over this same period, average annual asking rents are projected to increase from approximately \$14 per/s.f. to just over \$17 per/s.f.

Retail Vacancy and Rent: Central Cleveland Submarket 2Q 2016

Type	Vacancy Rate	Average Asking Rent
Neighborhood	15.0%	\$13.34
Community	8.6%	\$14.31
Average	11.1%	\$13.92

Retail Vacancy and Rent Trends: Central Cleveland Submarket

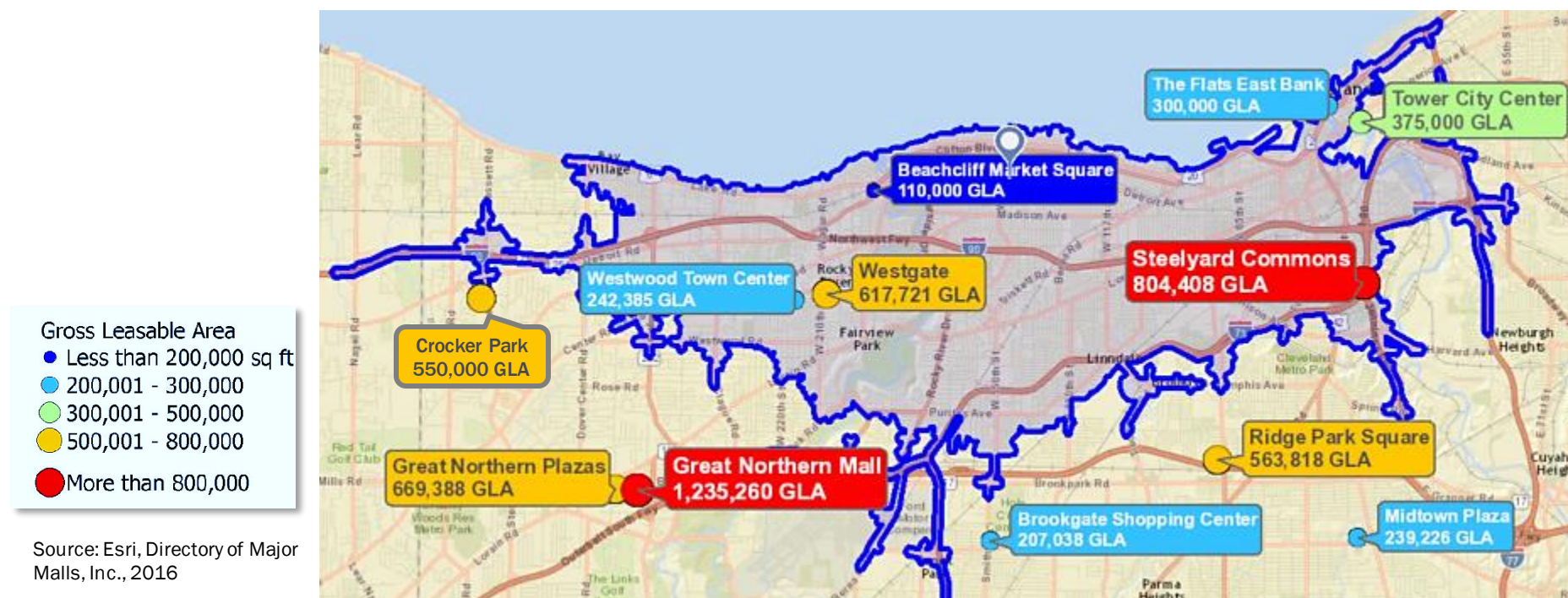


Source: Reis; 4ward Planning 2016

Major Shopping Centers: 15-Minute PMA

Based on 2016 data provided by the Directory of Major Malls, there is nearly 3.0 million square feet of gross leasable area (GLA) of major retail shopping center space (complexes containing at least 200,000 square feet under roof) within (or just outside) the 15-Minute PMA, equivalent to 12.7 square feet per person. Located two miles northwest, just outside of City of Lakewood, Beachcliff Market Square is the closest retail shopping center, containing 110,000 square feet.

Name	Distance from Site (Miles)	GLA (SF)
Beachcliff Market Square	2.1 NW	110,000
Westgate	3.6 NW	617,721
Westwood Town Center	3.8 NW	242,385
Steelyard Commons	6.7 NE	804,408
The Flats East Bank	6.9 NE	300,000
Tower City Center	7.3 NE	375,000
Crocker Park	5.82 NW	550,000
Total		2,999,514
GLA per Population		12.7



Available Retail Space: 15-Minute PMA

According to data provided by LoopNet and presented below, within the 15-Minute PMA, there is over one million square feet of retail space available for lease (bottom left), and 419,240 square feet of retail space for sale (bottom right). Forty-two percent of the retail space available for lease is characteristic of power center retail space (usually open-air in design with three or more big-box stores) with negotiable asking retail lease prices. Thirty-two percent of the retail space currently for sale is characteristic of free-standing building space, asking \$111 per square foot, on average. Much of the aforementioned shopping center space can be characterized as “comparison retail” and generally does not serve as a competitive threat to the types of specialty retail and independent restaurants found in Lakewood’s commercial district.

Retail Properties Available for Lease

Type	Space Available (SF)	Average Asking Rent (SF/Yr)
Power Center	421,291	Negotiable
Strip Center	225,564	\$12
Free Standing Bldg	122,117	\$17
Retail (Other)	64,209	\$14
Street Retail	55,484	\$15
Retail Pad	31,889	Negotiable
Community Center	25,260	\$7
Restaurant	24,971	\$15
Neighborhood Center	17,550	\$12
Regional Center/Mall	13,287	Negotiable
Specialty Center	4,660	\$32
Grand Total	1,006,282	\$14

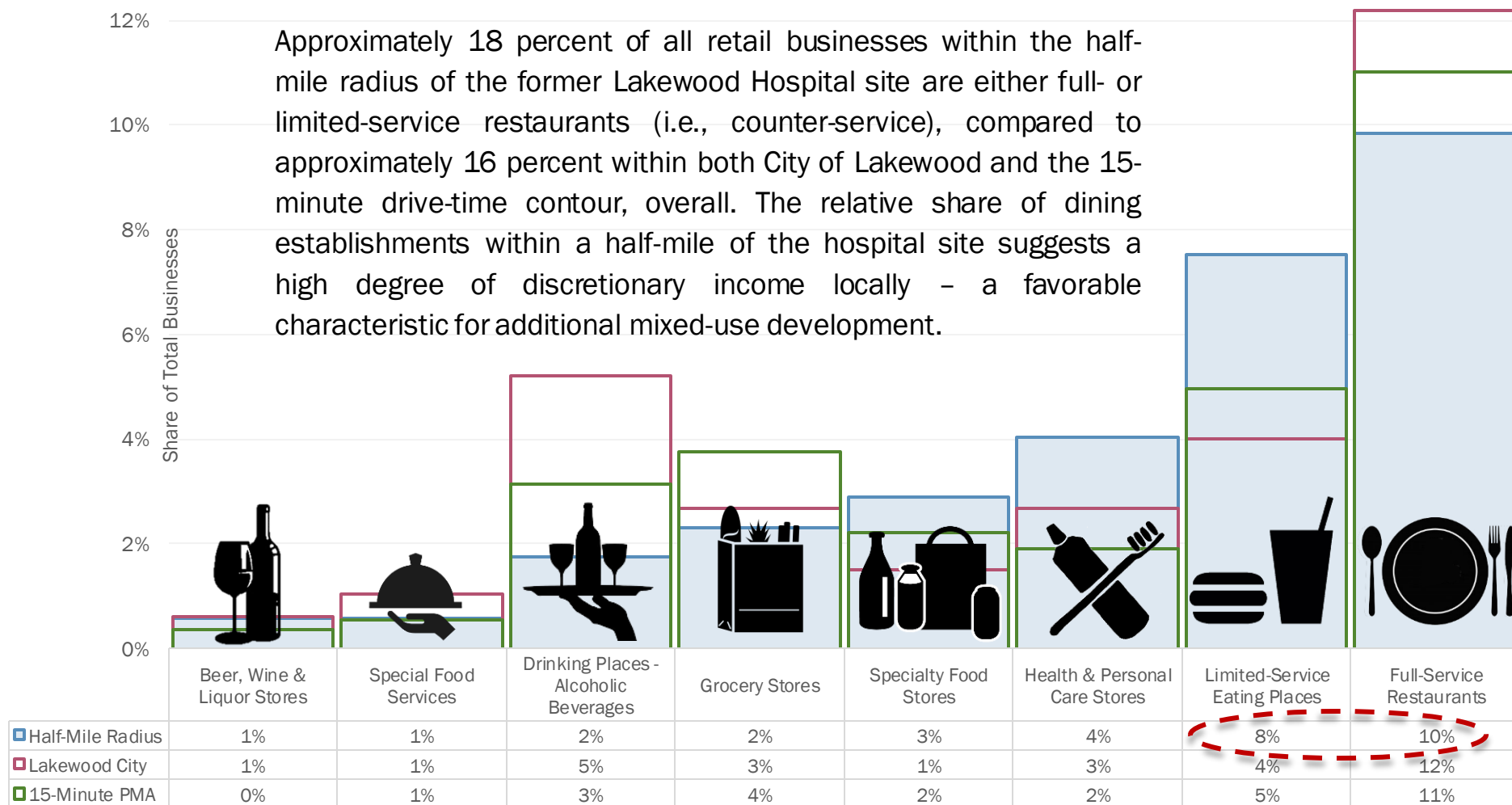
Retail Properties Available for Sale

Type	Building Size (SF)	Average Asking Price	Average Price Per SF
Free Standing Bldg	132,690	\$825,571	\$111
Restaurant	76,707	\$284,680	\$79
Retail (Other)	66,054	\$463,317	\$74
Anchor	57,500	\$8,566,000	\$149
Street Retail	30,408	\$410,700	\$109
Strip Center	27,310	\$699,000	\$111
Neighborhood Center	25,000	\$1,200,000	\$48
Retail Condo	2,318	\$468,950	\$129
Vehicle Related	1,254	\$119,000	\$95
Grand Total	419,241	\$742,208	\$99

Source: LoopNet; 4ward Planning Inc., Sept 2016

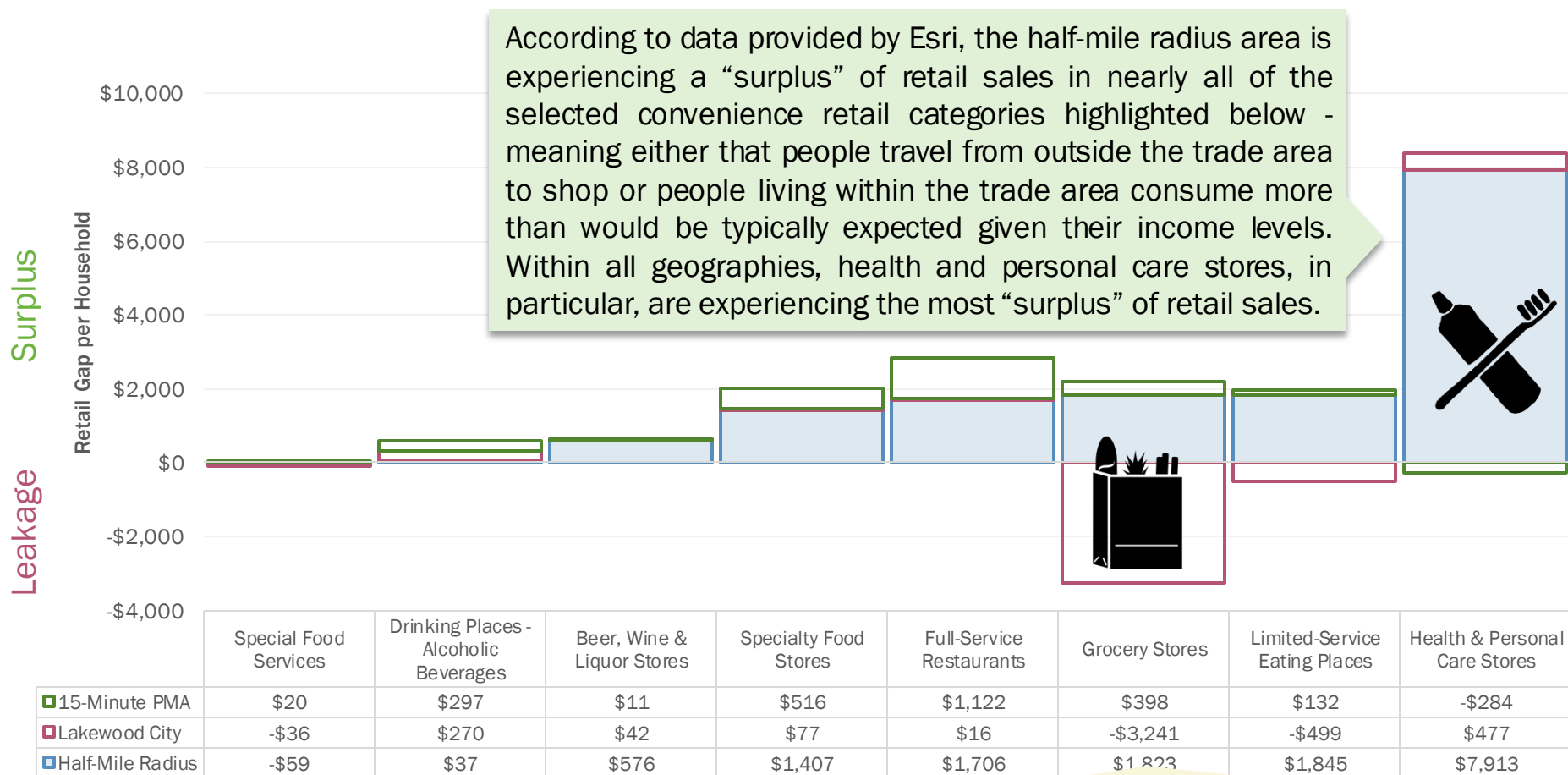
Estimated 2015 Business Mix

Approximately 18 percent of all retail businesses within the half-mile radius of the former Lakewood Hospital site are either full- or limited-service restaurants (i.e., counter-service), compared to approximately 16 percent within both City of Lakewood and the 15-minute drive-time contour, overall. The relative share of dining establishments within a half-mile of the hospital site suggests a high degree of discretionary income locally – a favorable characteristic for additional mixed-use development.



Source: Esri; 4ward Planning Inc., 2017

2016 Retail Gap per Household



City of Lakewood is experiencing a relatively large “leakage” in grocery store retail sales (\$3,240 per household) - meaning that either people living within the trade area shop outside the trade area, or people living within the trade area consume less than would be expected given their income levels. In contrast, the half-mile radius area is experiencing a “surplus” of grocery store retail sales

Source: Esri; 4ward Planning Inc., 2017

Supermarkets and Grocery Stores

According to data provided by InfoFree, a national database of businesses, there are nine existing and one proposed (Lucky's Market) grocery stores and supermarkets located within the City of Lakewood or just outside. Within a half-mile of the former Lakewood Hospital site there are two grocery stores, including Marc's and Giant Eagle. Although the City of Lakewood, overall, is experiencing a relatively large "leakage" in grocery store retail sales, the half-mile radius surrounding the former Lakewood Hospital site is well-served by grocery stores.

Name	Distance (Miles)	Years in Business
Marc's	0.3	6-9
Giant Eagle	0.3	10+
Patton's Foods	0.9	6-9
Everest Grocery	1.3	3- 5
La Plaza Supermarket	1.5	6-9
Bi-rite-Madison	1.5	3- 5
Nature's Bin (Recently Closed)	1.5	10+
Sapells Bi-Rite	1.7	10+
Lucky's Market (Proposed)	1.8	NA
Heinen's	2.1	10+
Whole Foods	2.4	2



Source: Infotree, Esri, 4ward Planning Inc., 2017

Methodology: Retail Metric Assumptions

- 4ward Planning utilized various residential and commercial data sources to conduct a retail gap/leakage analysis for the 15-minute drive-time PMA.
- Esri retail marketplace data was the primary source for information on existing retail demand and sales for the PMA.
- Retail metrics for average sales per square foot and size by category was adapted from data provided by BizStats, an online retail data service, to reflect currently observed neighborhood-retail supply trends. Retail metric assumptions are also presented in the table to the right.
- Accordingly, 4ward Planning developed a rough percent capture estimate for new commercial and/or mixed-use development demand within the half-mile radius area.

Retail Category	Avg. Sales/SF	Average Size	Est. Percent Capture
Food & Beverage Stores			
Grocery Stores	\$400	45,000	70%
Specialty Food Stores	\$600	30,000	70%
Beer, Wine & Liquor Stores	\$400	8,000	70%
Health & Personal Care Stores	\$1,000	17,000	90%
Food Services & Drinking Places			
Full-Service Restaurants	\$530	6,000	75%
Limited-Service Eating Places	\$550	3,400	80%
Special Food Services	\$550	4,000	75%
Drinking Places - Alcoholic Beverages	\$500	2,500	80%

Source: BizStats; 4ward Planning Inc., 2017

Existing Retail Store Capture Estimates

Based on the retail metric assumptions outlined on the following page, the table below compares existing supportable square foot and store equivalent estimates by selected retail category for each study area. Retail estimates presented in **red** represent retail categories experiencing a “surplus” of retail sales (supply exceeds the area’s demand) while estimates in **green** represent retail categories experiencing a “leakage” of retail sales (where demand exceeds supply). Retail categories experiencing leakage represent potential opportunities for new retailers to enter the trade area or for existing retailers to extend their marketing outreach to accommodate the excess demand. Based on retail supply/demand analysis, there currently is a net new demand for special food services within City of Lakewood and limited-service eating establishments within the 15-Minute PMA. Some of this demand could potentially be captured within the former Lakewood Hospital site.

	Half-Mile Radius		City of Lakewood		15-Minute PMA	
	Supportable SF	Store Equivalent	Supportable SF	Store Equivalent	Supportable SF	Store Equivalent
Grocery Stores	(4,697)	(1)	(2,384)	(0)	(2,476)	(0)
Specialty Food Stores	294	0	1,257	0	(2,906)	(1)
Beer, Wine & Liquor Stores	(217)	(0)	(10,992)	(4)	(49,634)	(20)
Health & Personal Care Stores	(11,565)	(0)	144,087	3	(72,585)	(2)
Full-Service Restaurants	(5,952)	(0)	(2,283)	(0)	(62,814)	(2)
Limited-Service Eating Places	(25,824)	(2)	(10,899)	(1)	26,704	2
Special Food Services	(9,732)	(3)	18,434	5	(20,037)	(6)
Drinking Places - Alcoholic Beverages	(8,753)	(1)	(567)	(0)	(165,701)	(28)
	(66,447)	(7)	136,653	3	(349,448)	(57)

Source: 4ward Planning Inc., 2017

Lodging

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Key Findings: Lodging

3,200 sleeping rooms and 396,000 square feet of meeting space

According to data provided by Cvent, there are 19 hotels and two conference/convention centers within the 15-Minute PMA, containing approximately 3,200 sleeping rooms and 396,000 square feet of meeting space, combined. Located at the Lakewood/Cleveland border, the two hotels located in Lakewood are both likely capturing overflow hotel demand from Downtown Cleveland, where much of the competitive inventory of hotel and meeting space is located.



3,380 primary jobs located within half-mile radius

Since companies that receive regular visits from vendors, customers, and consultants can drive hotel demand, identifying employment clusters can help determine potential areas of unmet hotel demand. According to 2014 data provided by the U.S. Census Bureau, there are approximately 3,380 primary jobs located within the half-mile radius area (compared to 108,000 primary jobs within Downtown Cleveland). In addition to capturing local demand from Lakewood employers, potential hotel development in Lakewood would benefit largely from capturing overflow hotel demand from vendors, customers, and consultants visiting Downtown Cleveland.



Potential hotel redevelopment would require signage and marketing

While the former Lakewood Hospital site is fairly easily accessible from I-90 (a six-minute drive), the site is located approximately 1.4 miles from the Warren Road I-90 interchange entrance and would have no visibility from the interstate. Potential hotel redevelopment at the site would likely require extensive signage or marketing to capture overflow hotel demand from Downtown Cleveland.



Hotels and Meeting Space: 15-Minute PMA

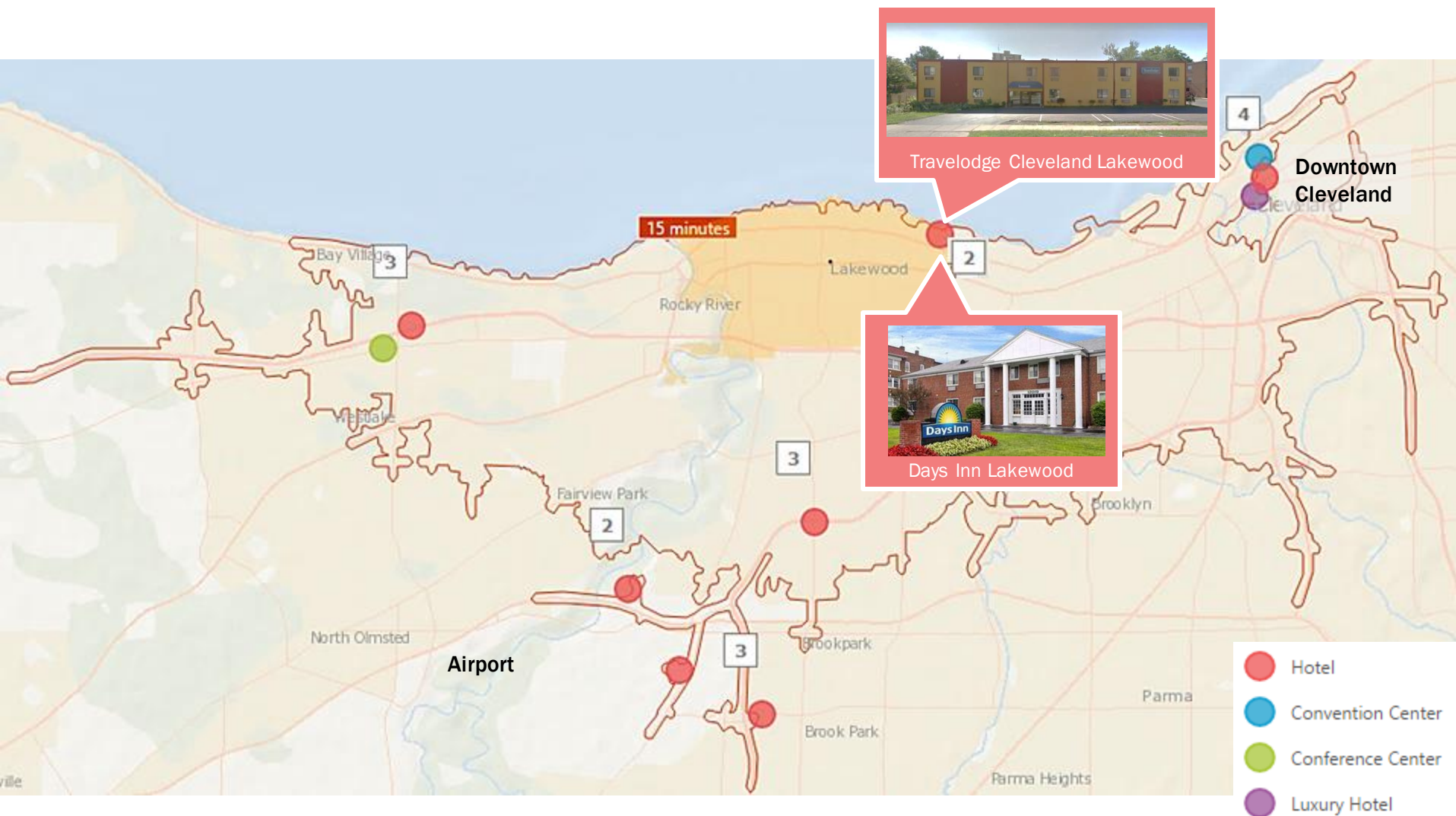
According to data provided by Cvent, summarized below and mapped on the following page, there are 19 hotels and two conference/convention centers located within the 15-Minute PMA. Combined, these venues contain approximately 3,200 sleeping rooms and 396,000 square feet of meeting space (with this bulk of this meeting space located within the Cleveland Public Auditorium). Much of the identified hotel and meeting space inventory is located in Downtown Cleveland. Situated just under two miles from the former Lakewood Hospital site, the three-star-rated Days Inn and the two-star-rated Travelodge are the only hotels in Lakewood; located at the Lakewood/Cleveland border, both are likely capturing overflow hotel demand from Downtown Cleveland.



Name	City	Venue Type	Rating	Sleeping Rooms	Meeting Space (SF)	Distance (Miles)
Days Inn Lakewood	Lakewood	Hotel	3 Stars	66	1,000	1.7
Travelodge Cleveland Lakewood	Lakewood	Hotel	2 Stars	42	-	1.9
Four Points by Sheraton Cleveland Airport	Cleveland	Hotel	-	147	7,000	3.4
La Quinta Inn Cleveland Airport North	Cleveland	Hotel	2 Stars	116	1,000	3.5
Cleveland Airport Marriott	Cleveland	Hotel	3 Stars	372	14,000	3.7
Renaissance Cleveland Hotel	Cleveland	Hotel	4 Stars	491	60,000	5.7
The Ritz-Carlton, Cleveland	Cleveland	Luxury Hotel	4 Stars	205	19,000	5.7
Aloft Cleveland Downtown	Cleveland	Hotel	-	150	4,000	5.8
Courtyard Westlake	Westlake	Hotel	3 Stars	122	1,000	5.9
Hilton Garden Inn Cleveland Airport	Cleveland	Hotel	3 Stars	168	3,000	5.9
LaCentre Conference and Banquet Facility	Westlake	Conference Center	-	-	30,000	5.9
TownePlace Suites Westlake	Westlake	Hotel	2 Stars	85	-	5.9
Value Place Cleveland (Hopkins Airport)	Cleveland	Hotel	2 Diamonds	-	-	5.9
Super 8 Westlake/Cleveland	Westlake	Hotel	1 Star	115	1,000	6.0
Cleveland Public Auditorium (Cleveland Convention Center)	Cleveland	Convention Center	-	-	225,000	6.2
Hilton Garden Inn Cleveland Downtown	Cleveland	Hotel	3 Stars	240	20,000	6.4
Holiday Inn Express Hotel Cleveland Brookpark	Brook Park	Hotel	2 Stars	67	-	6.4
Best Western Airport Inn & Suites Cleveland	Brook Park	Hotel	2 Stars	64	-	6.5
DoubleTree by Hilton Hotel Cleveland Downtown	Cleveland	Hotel	3 Stars	379	10,000	6.5
Howard Johnson Inn Cleveland Airport	Brook Park	Hotel	2 Stars	135	-	6.5
Sheraton Cleveland Airport Hotel	Cleveland	Hotel	3 Stars	242	-	8.4
				3,206	396,000	

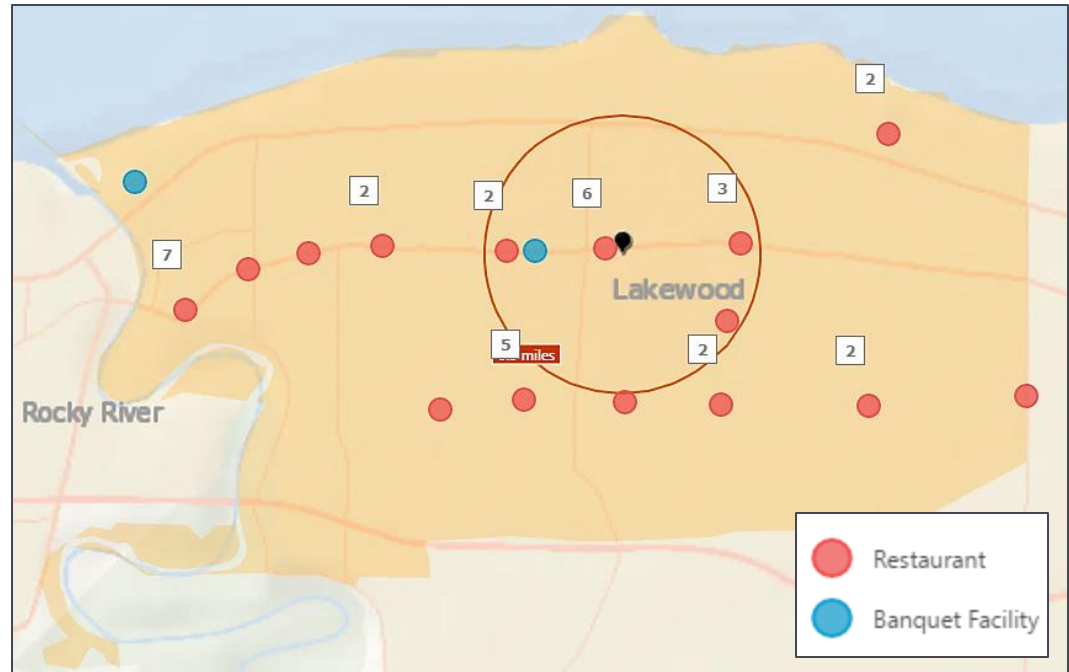
Source: Cvent, 4ward Planning Inc., Nov 2016

Hotels and Meeting Space: 15-Minute PMA (continued)



Source: Cvent, Esri, 4ward Planning Inc., Nov 2016

As illustrated below, the former Lakewood Hospital site is located in Downtown Lakewood along Detroit Avenue, within walking distance to many restaurants and one banquet facility (the Lakewood Masonic Temple). Compared to other parts of the City, the highly walkable nature of the half-mile radius area is an advantage for attracting “walk-in” customers. However, potential hotel guests arriving by car are more likely to have to pay for parking, as there is less free parking in Downtown Lakewood.



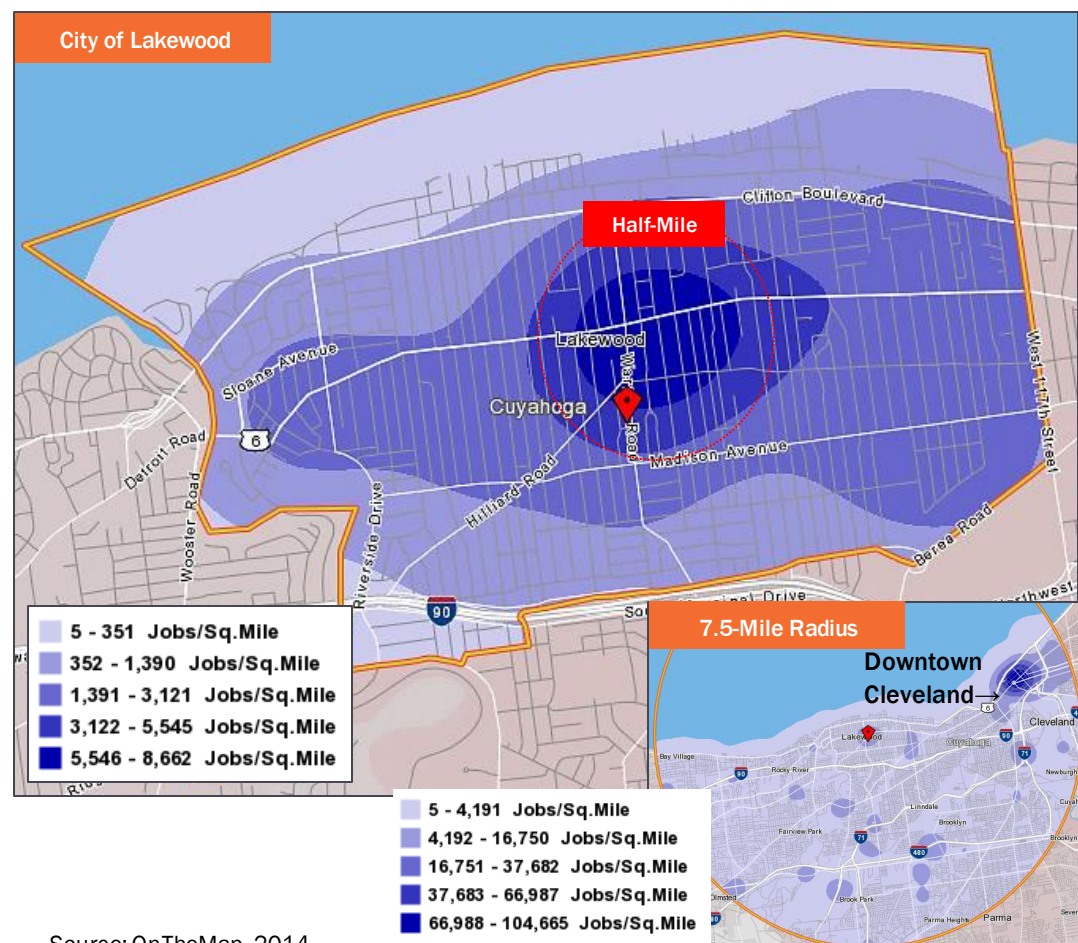
4WARD PLANNING INC.

Employment Centers

Since companies that receive regular visits from vendors, customers, and consultants can drive hotel demand, identifying employment clusters can help determine potential areas of unmet hotel demand. The maps below illustrate employment clusters within both City of Lakewood and the 7.5-mile radius area from the former Lakewood Hospital site (representing the 15-Minute PMA), according to data provided by the U.S. Census Bureau.

In 2014, City of Lakewood had approximately 11,460 primary jobs, with 30 percent of these jobs (3,380 jobs) located within a half-mile radius of the former Lakewood Hospital site. In comparison, the PMA had 263,280 primary jobs, with 41 percent of these jobs (108,000 jobs) located within Downtown Cleveland. While employment density within City of Lakewood was highest within the half-mile radius area (up to 8,600 jobs per square mile), employment density within Downtown Cleveland was significantly higher (up to 104,660 jobs per square mile).

In addition to capturing local demand from Lakewood employers, potential hotel development in Lakewood would largely benefit from capturing overflow hotel demand from vendors, customers, and consultants visiting Downtown Cleveland.



Source: OnTheMap, 2014.

Traffic Counts

High levels of traffic can drive significant “walk-in” and leisure traveler business. According to traffic count data provided by Esri, average daily traffic volumes within City of Lakewood are highest along I-90 (between 83,000 to 100,300 vehicles per day). Average daily traffic volumes within a half-mile radius of the former Lakewood Hospital site range between 8,000 and 15,600 vehicles per day.

While the former Lakewood Hospital site is fairly easily accessible from I-90 (a six-minute drive), the site is located approximately 1.4 miles from the Warren Road I-90 interchange entrance and would have no visibility from the interstate. Potential hotel redevelopment at the former Lakewood Hospital site would likely require extensive signage to capture overflow hotel demand from Downtown Cleveland.

Average Daily Traffic Volume

▲ Up to 6,000 vehicles per day

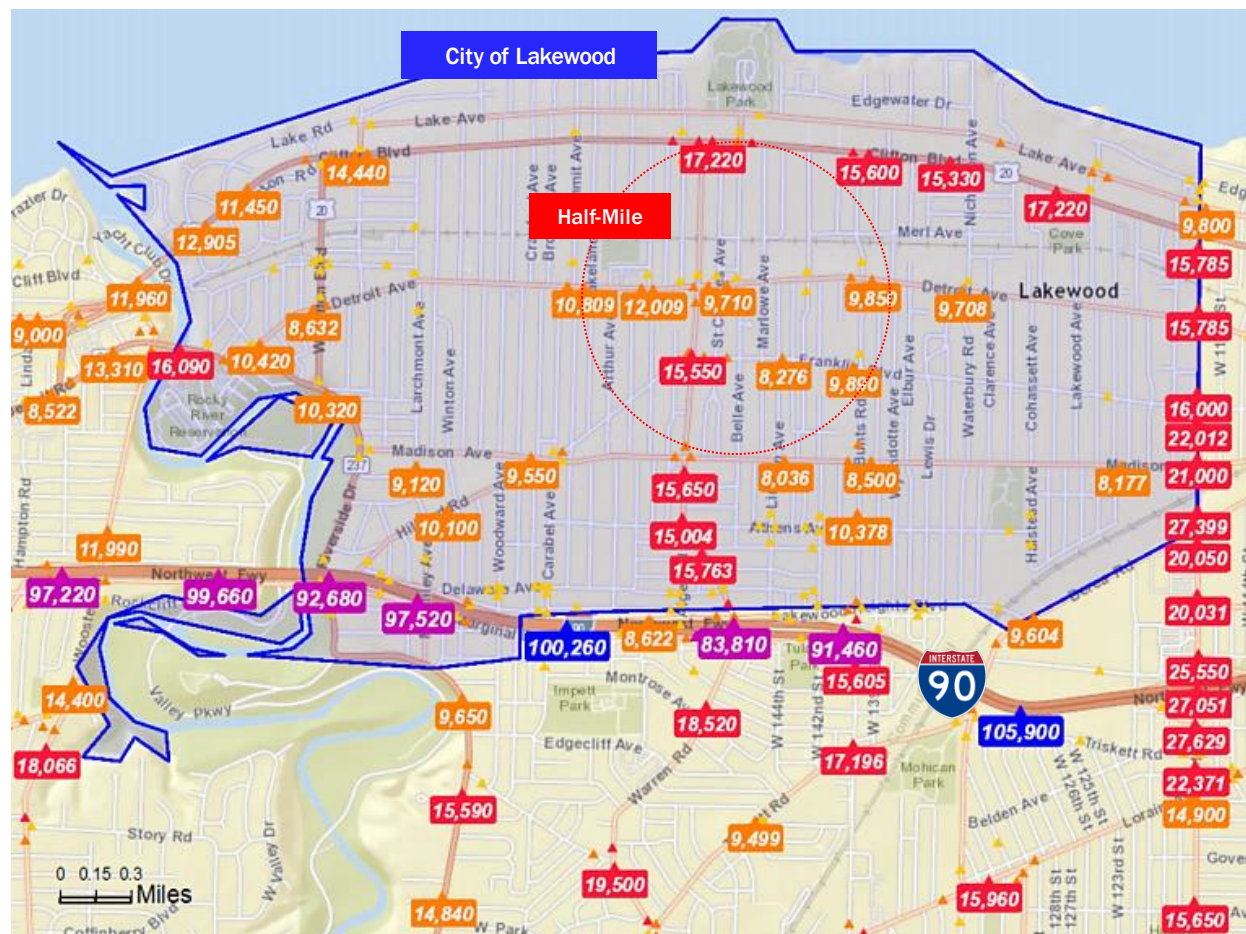
▲ 6,001 - 15,000

▲ 15,001 - 30,000

▲ 30,001 - 50,000

▲ 50,001 - 100,000

▲ More than 100,000 per day



Source: Esri, Kalibrate Technologies, Nov 2016

Commercial Office Trend & Supply/Demand Analysis

Key Findings: Office Real Estate Analysis

Over four million square feet of office space in submarket

According to third-quarter 2016 data provided by Reis, there is over four million square feet of office space (includes multi- and single-tenant properties over 15,000 square feet) within the Cleveland West/West Suburban (“Cleveland West”) office submarket, with 20 percent of this space currently vacant. Although no new office space has been completed in the submarket since 2009, Reis expects an additional 233,000 square feet of office space will be delivered over the next four years.



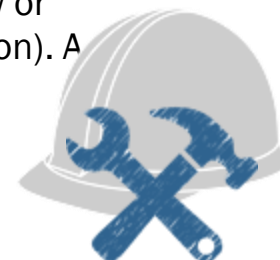
New office space demand in the PMA could be met locally

Based on the office supply/demand analysis, by 2025, there will be a net new demand for more than 1.7 million square feet of office space within the 15-Minute PMA. With approximately 1.3 million square feet of vacant office space (both for lease and for sale) within the 15-Minute PMA, it is likely that a relatively large portion of the projected net demand will be met by existing vacant office space.



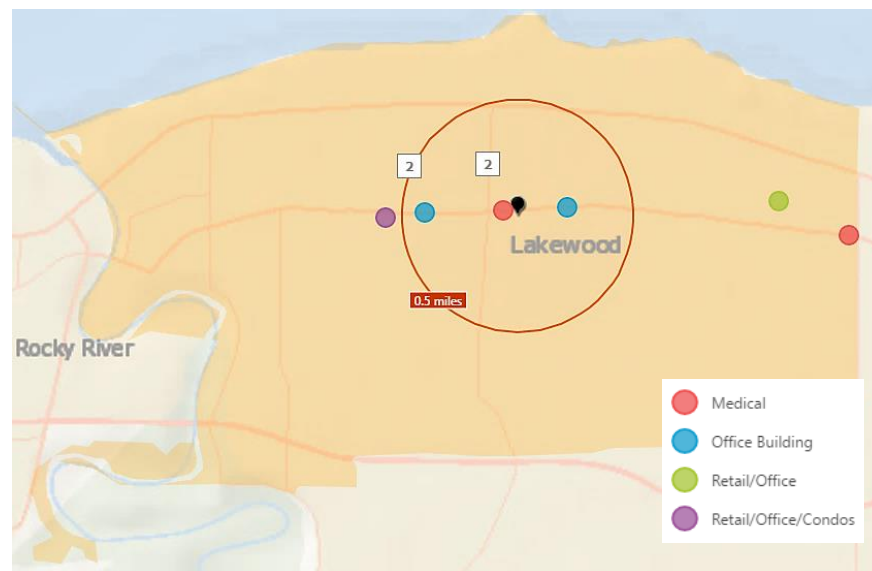
A portion of new office demand could be captured on the hospital site

It is likely that some of the projected net new demand will require Class A office space (e.g., a new or substantially rehabilitated office building with modern amenities and finishes, in a superior location). A portion of this new office space could be captured within a mixed-use development project on the Lakewood Hospital site, particularly given its proximity to transit, shops and dining.



Recent Office Development: City of Lakewood

According to 2010 to 2016 development data provided by City of Lakewood (mapped to the right and summarized below), six office projects have been completed within the City since 2010, and three more are currently under construction with a combined \$48.5 million in proposed renovation/construction value. Three of the completed office projects and all three of pending office projects are located within the half-mile radius of the former Lakewood Hospital site. Each of these projects will result in new office workers and an increase discretionary spending, locally.



Office Projects Completed Since 2010

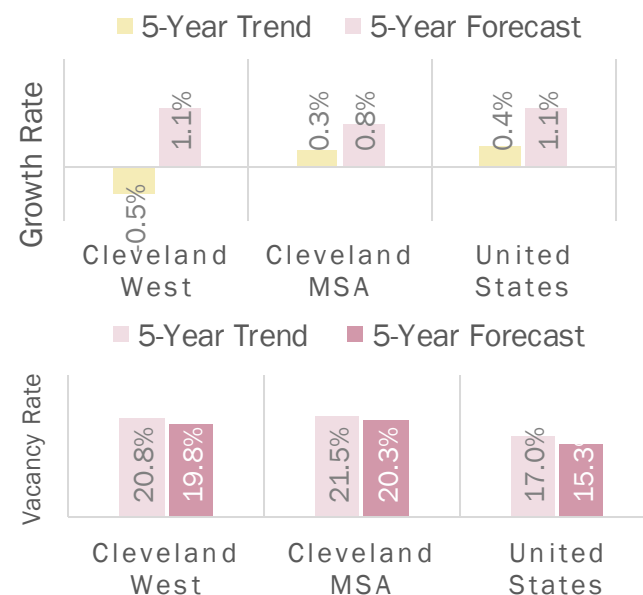
Name	Status	Subtype	Type	Renovation Value	Construction Value
Bailey Building	Completed	Retail/Office	Renovation	\$1,000,000	
Rosewood Place	Completed	Retail/Office/Condos	Renovation	NA	
Rebound Physical Therapy	Completed	Medical	New Construction		\$1,188,915
Premier Physicians	Completed	Medical	Renovation	\$1,200,000	
AT&T	Completed	Office Building	Renovation	\$640,000	
Laskey	Completed	Office Building	Renovation	NA	
Cleveland Clinic Family Health Center	Under Construction	Medical	New Construction		\$34,000,000
Roundstone	Under Construction	Office Building	Renovation	\$2,500,000	
Completed				\$2,840,000	\$1,188,915
Under Construction				\$2,500,000	\$34,000,000

Source: City of Lakewood; 4ward Planning Inc., Esri, Sept 2016

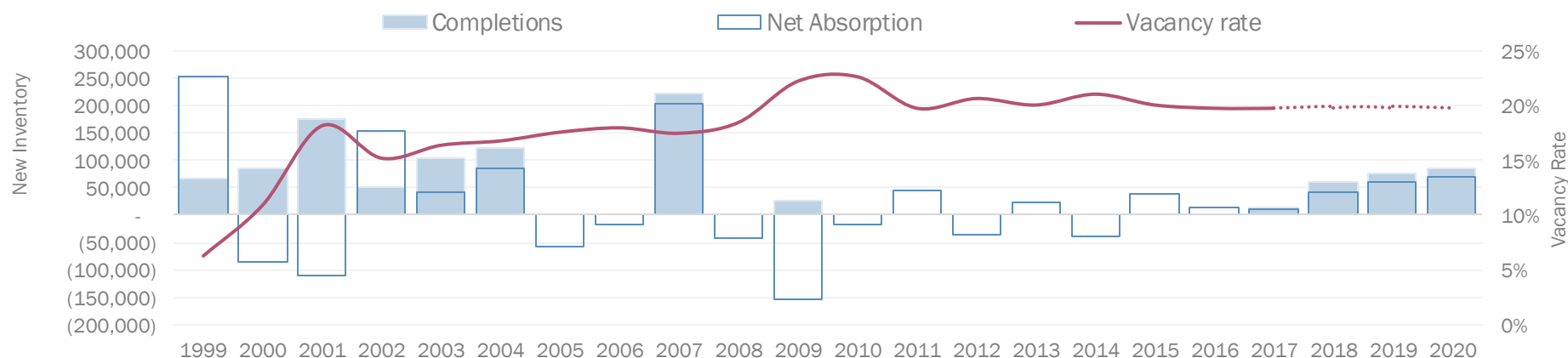
Office Inventory & Vacancy: Cleveland West Submarket

According to third-quarter 2016 data provided by Reis, there is over four million square feet of office space (includes multi- and single-tenant properties over 15,000 square feet) within the Cleveland West/West Suburban (“Cleveland West”) office submarket, with 809,000 square feet of this office space currently vacant (20 percent vacancy rate). As illustrated below, although no new office space has been completed in the submarket since 2009, Reis expects an additional 233,000 square feet of office space will be completed over the next four years, growing at a rate of 1.1 percent per year over the next four years (at a rate faster than the MSA but comparable to the nation).

Office Inventory Trends



Office Inventory and Vacancy Trends: Cleveland West/West Suburban Submarket

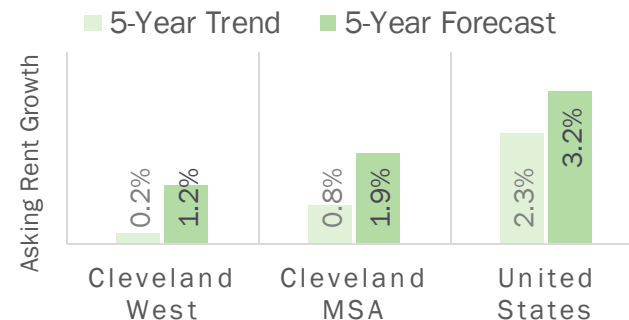


Source: Reis; 4ward Planning 2016

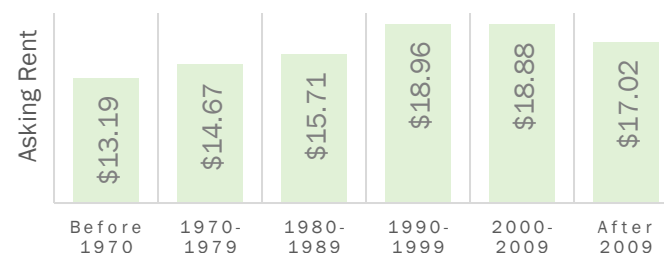
Office Rent & Vacancy Trends: Cleveland West Submarket

According to data provided by Reis, over the next four years, average annual asking rents in the Cleveland West/West Suburban submarket are projected to increase from approximately \$16.50 per square foot to \$17.50 per square foot (1.2-percent per year). Average asking rents for office space vary widely by building age, from approximately \$13 per square foot for office space in buildings built before 1970, to nearly \$19 per square foot for office space in buildings built between 1990 and 1999.

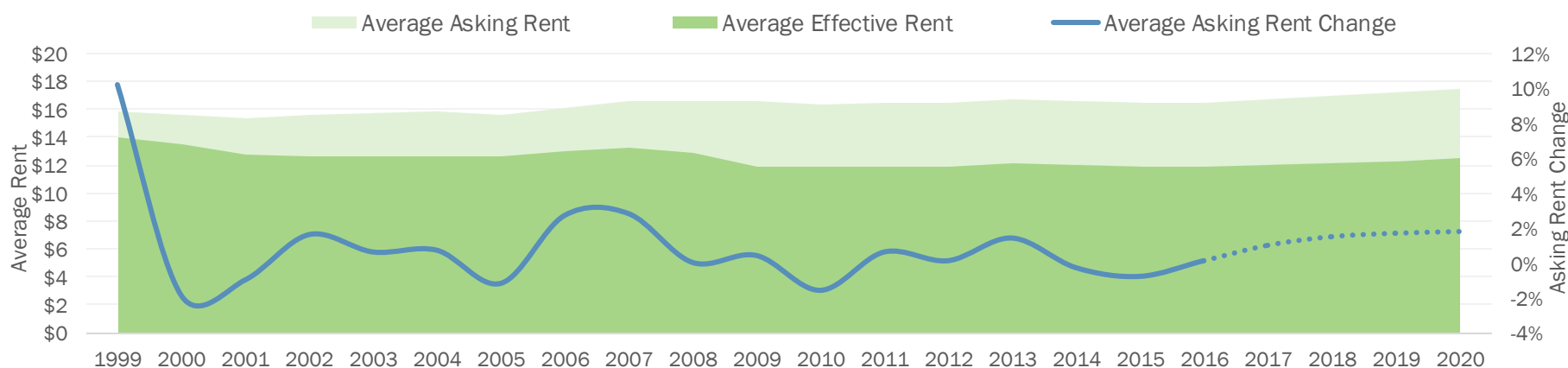
Office Rent Trends



Office Rent by Building Age: Submarket



Office Vacancy and Rent Trends: Cleveland West/West Suburban Submarket



Source: Reis; 4ward Planning 2016

Available Office Space: 15-Minute PMA

According to data provided by LoopNet and presented below, within the 15-Minute PMA, there is nearly 808,700 square feet of office space available for lease (bottom left) and 524,130 square feet of office space for sale (bottom right). Eighty-three percent of the office space available for lease and 76-percent of the office space currently for sale are characteristic of traditional office building space. Traditional office building space within the 15-Minute PMA has an average asking lease price of \$15 per square foot, and sale price of \$64 per square foot. A financial feasibility analysis will be required to determine if current asking rents are sufficient to support new Class A office space development on the hospital site, notwithstanding projected net demand.

Office Properties Available for Lease

Type	Space Available (SF)	Average Asking Rent (SF/Yr)
Office Building	670,606	\$15
Creative/Loft	78,110	\$13
Medical Office	58,747	\$15
Executive Suite	1,230	\$13
Grand Total	808,693	\$15

Office Properties Available for Sale

Type	Building Size (SF)	Average Asking Price	Average Price Per SF
Office Building	397,749	\$1,205,250	\$64
Office Condo	68,254	\$98,816	\$99
Office-Warehouse	49,984	\$344,750	\$46
Medical Office	8,140	\$1,332,500	\$282
Grand Total	524,127	\$1,082,729	\$85

Source: LoopNet; 4ward Planning Inc., Sept 2016

Methodology: Key Steps for Deriving Office Demand

Projecting 2026 Primary Jobs

To determine projected office space demand, primary jobs in the 15-Minute PMA (an approximate 7.5-mile radius from the former Lakewood Hospital site) were projected through 2025, based on 2016 employment data by industry sector provided by *OnTheMap* and 2012 to 2022 industry employment growth rate projections from the Ohio Department of Job and Family Services for the Cleveland-Elyria-Mentor Metropolitan Statistical Area (MSA).

Estimating the Number of Office Workers

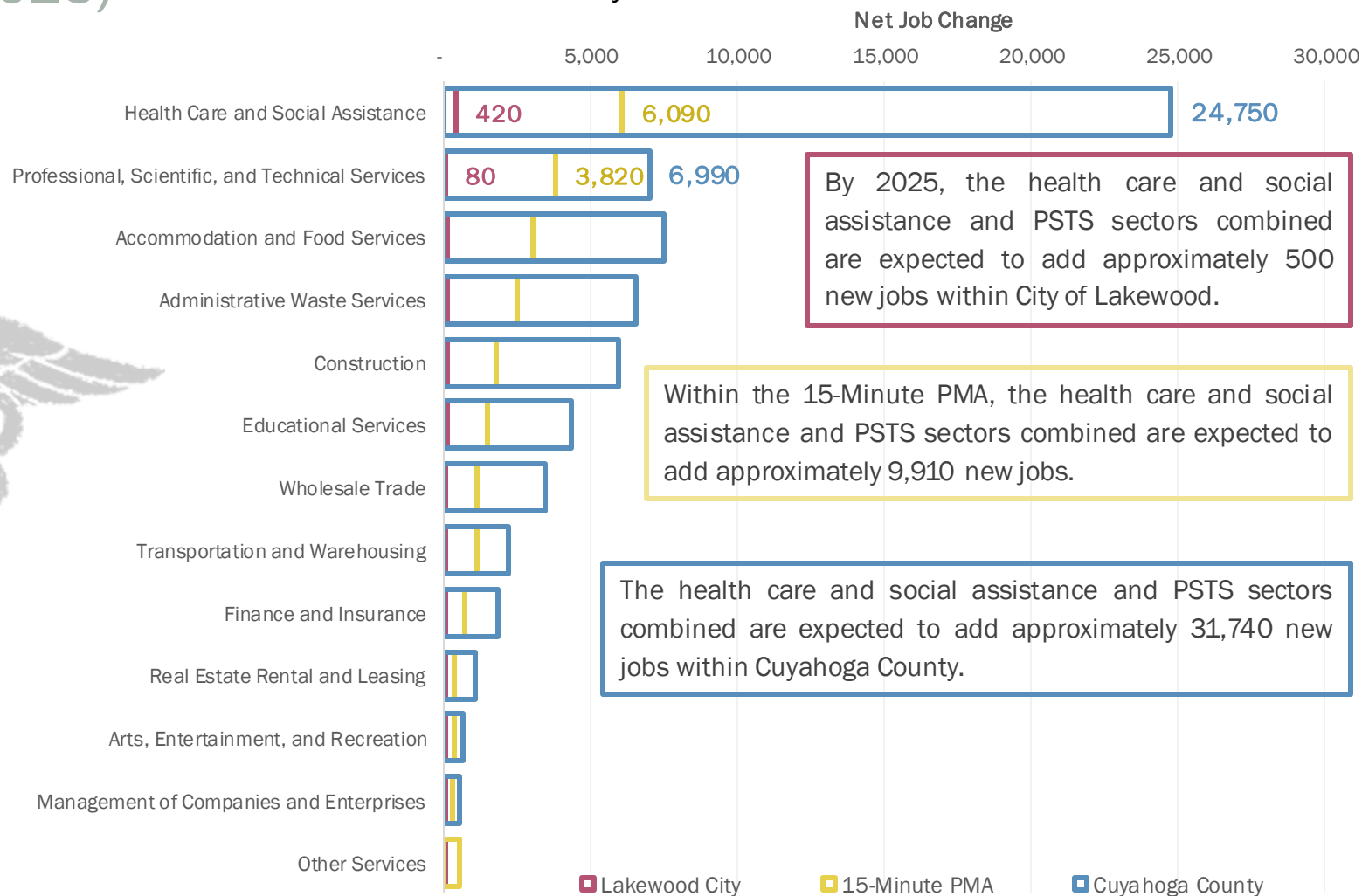
The National Center for Real Estate Research study has estimated the percentage of workers in various industry sectors that typically work in an office environment. Using these percentages, 4ward Planning estimated the number of employees in the 15-Minute PMA who would, likely, require office space.

Determining Office Space Demand

Assuming a space requirement of 175 square feet per employee (a relatively conservative requirement), the total demand for office space was estimated based on projected office workers for each year through 2025.

Projected Job Change (2016 - 2025)

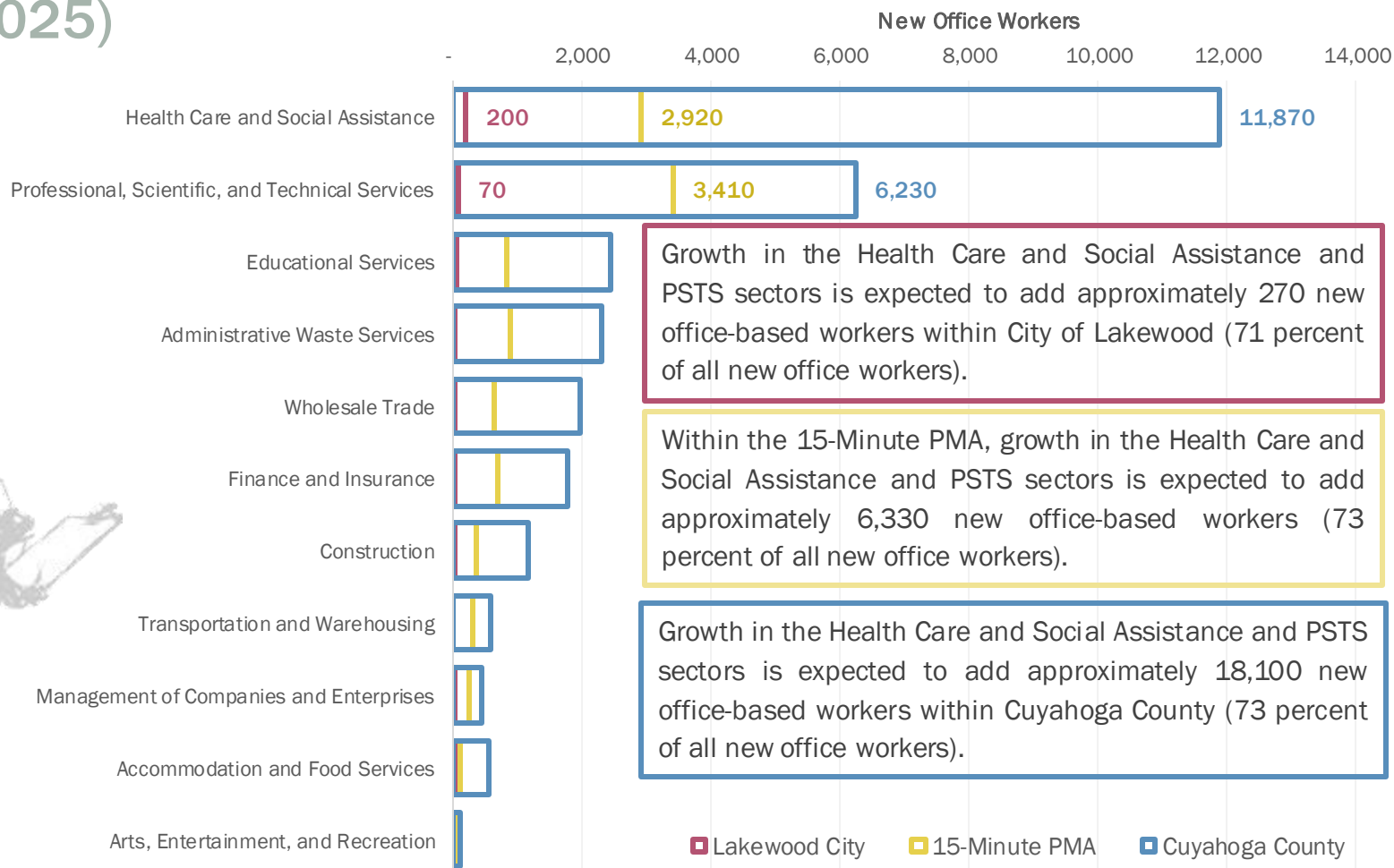
Based on employment estimates and projected employment growth rates by industry, the graphic below illustrates projected net job change for the three study areas.



Source: Esri; Ohio Department of Job and Family Services, Bureau of Labor Market Information; 4ward Planning, Inc., 2016

Projected Net New Office Workers (2016 - 2025)

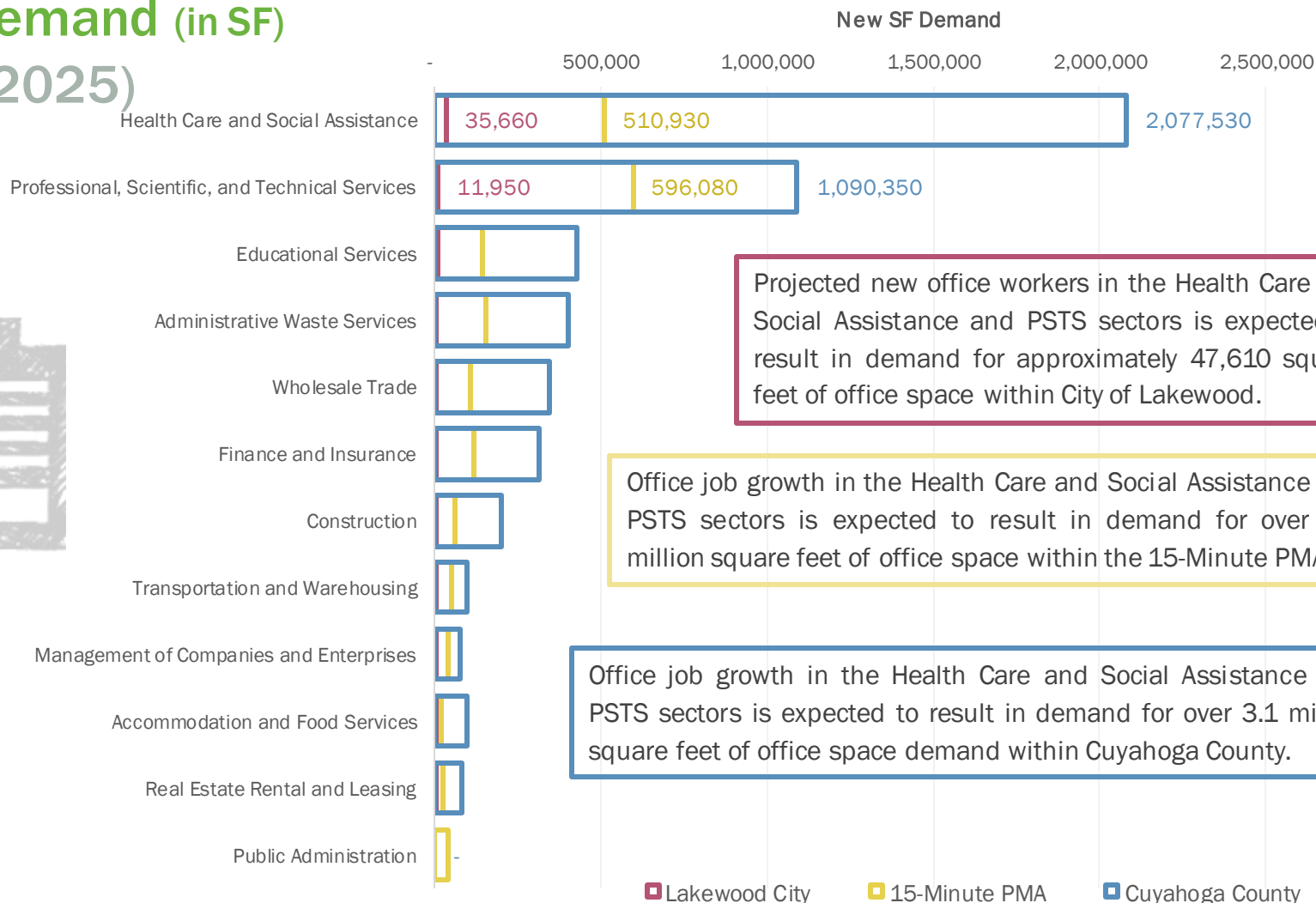
Based on the estimated percent of office workers by industry provided by the National Center for Real Estate, the graphic below illustrates the net number of new office workers for each study area.



Source: National Center for Real Estate; Ohio Department of Job and Family Services, Bureau of Labor Market Information; 4ward Planning, Inc., 2016

Projected Net New Office Demand (in SF) (2016 - 2025)

Assuming an estimated ratio of 175 square feet per office worker, by 2026....



Source: Esri; Ohio Department of Job and Family Services, Bureau of Labor Market Information; 4ward Planning, Inc., 2016

Takeaway: Office Supply/Demand

The table below depicts projected demand for net new office square footage across industries for each study area, for the 2016 to 2025 timeframe. Metrics in red parentheses indicate a decrease in demand for office square footage, based on projected net loss in the number of office workers in those industries. It should also be noted that net new positive demand does not necessarily indicate the need for new office space.

	City of Lakewood	15-Minute PMA	Cuyahoga County
Health Care and Social Assistance	35,660	510,930	2,077,530
Professional, Scientific, and Technical Services	11,950	596,080	1,090,350
Educational Services	8,780	146,730	427,350
Administrative Waste Services	5,880	153,800	401,250
Finance and Insurance	2,380	110,630	344,670
Construction	4,550	119,720	312,140
Wholesale Trade	3,300	60,580	203,590
Real Estate Rental and Leasing	680	51,280	99,070
Accommodation and Food Services	1,080	43,460	76,310
Management of Companies and Enterprises	1,630	19,630	97,390
Transportation and Warehousing	2,110	27,180	84,460
Arts, Entertainment, and Recreation	(550)	40,550	-
Agriculture, Forestry, Fishing and Hunting	250	9,880	19,110
Mining	-	(10)	(190)
Utilities	(10)	(1,960)	-
Retail Trade	(400)	(6,590)	(19,640)
Public Administration	(220)	(21,930)	(37,720)
Information	(1,300)	(50,620)	(95,840)
Manufacturing	(2,240)	(79,780)	(218,400)
Net New Demand	73,530	1,729,560	4,861,430

Independent Living Facilities

Key Findings: Independent Living Facilities Real Estate Analysis

575 independent living facility units/beds in submarket

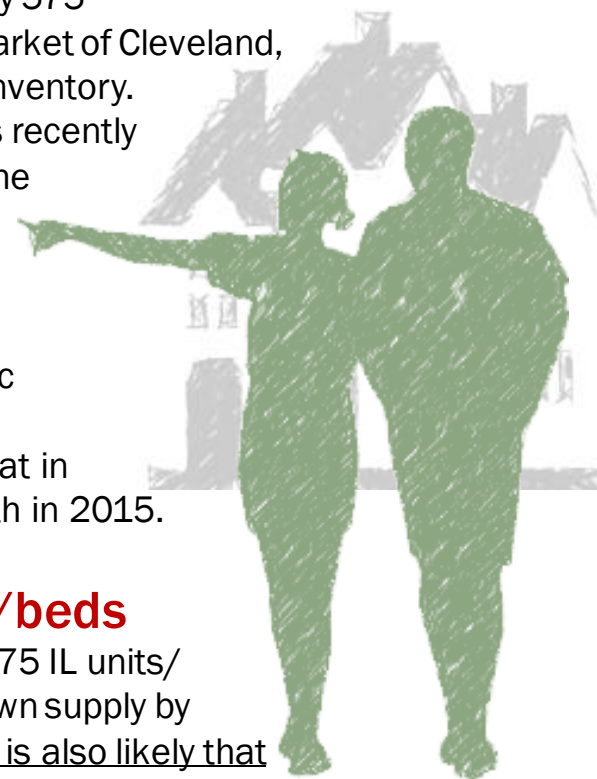
According to third-quarter 2016 data provided by Reis, there are approximately 575 independent living (IL) facility units/beds in the Central/East Cuyahoga submarket of Cleveland, comprising just seven-percent of the submarket's senior housing units/beds inventory. Furthermore, a 54-unit affordable LGBT and senior rental housing project was recently completed two miles east of the former Lakewood Hospital site, across from the W. 117th Rapid Station.

Declining vacancy rates but stable rents

As of 2015, average vacancy rates for IL facilities were 6.0 percent, a dramatic decline from average vacancy rates in 2012 (16.5 percent). Despite the steep drop in vacancy rates, monthly rents for IL facilities have remained relatively flat in recent years, increasing from \$2,133 per month in 2012, to \$2,220 per month in 2015.

Current net demand for 781 independent living units/beds

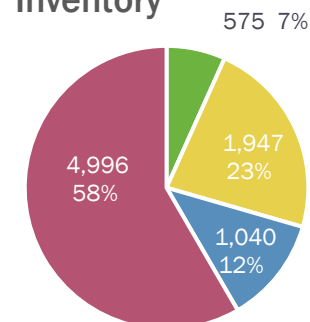
Based on Reis estimates of the submarket's independent living units/beds (575 IL units/beds) and the 54 units recently completed, as of 2016, demand exceeds known supply by approximately 781 units, and is projected to increase to 911 units by 2021. It is also likely that the current demand for IL units within City of Lakewood is greater than current supply, and the gap between demand and supply will continue to grow larger, in the absence of new IL facilities. The former Lakewood Hospital site will have an opportunity to capture a portion of this market.



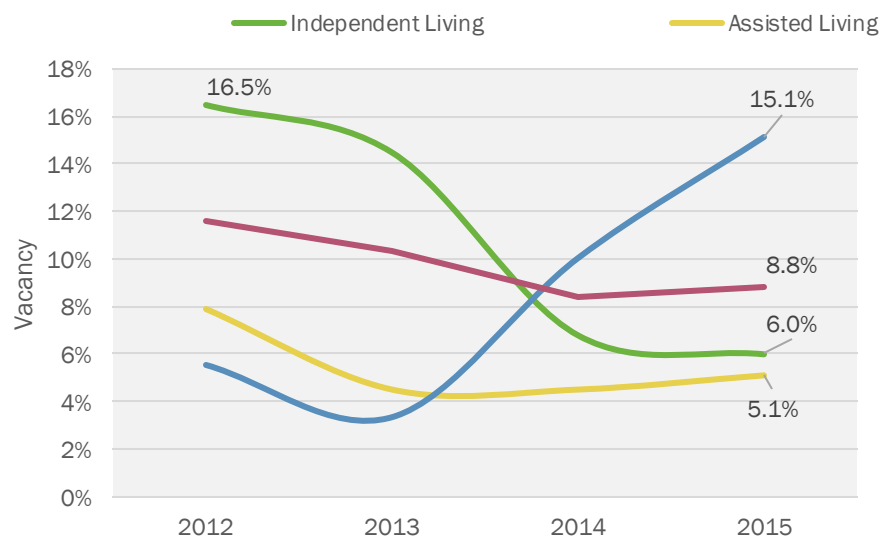
Senior Housing Inventory: Central/East Cuyahoga

According to third-quarter 2016 data provided by Reis, there are approximately 575 independent living facility units/beds; 1,947 assisted living facility units/beds; 1,040 memory care facility units/beds; and 4,996 skilled nursing facility units/beds in the Central/East Cuyahoga submarket of Cleveland. As of 2015, average vacancy rates for IL facilities were 6.0 percent, a dramatic decline from average vacancy rates in 2012 (16.5 percent). Despite the steep drop in vacancy rates, monthly rents for IL facilities have remained relatively flat in recent years, increasing from \$2,133 per month in 2012, to \$2,220 per month in 2015.

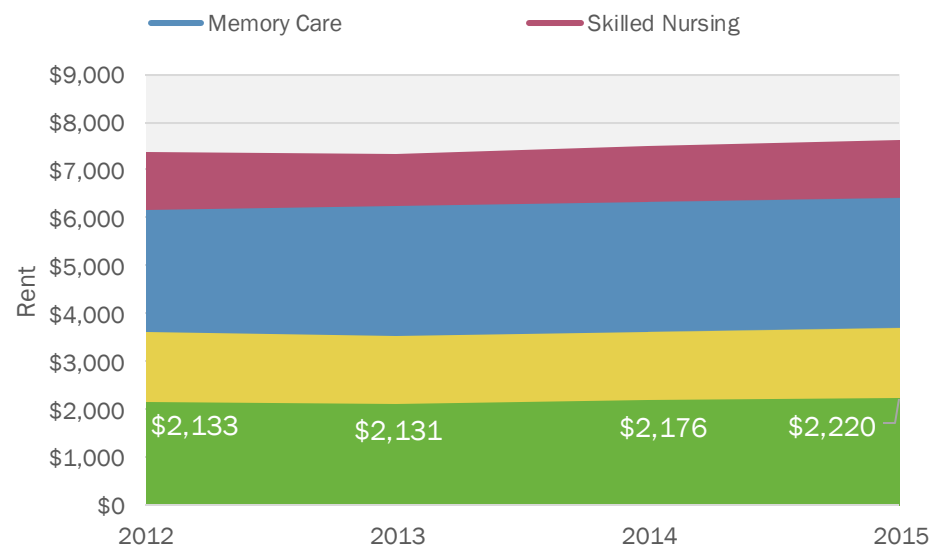
Senior Housing Inventory



Senior Housing Vacancy Rate Trends



Senior Housing Rent Trends



Source: Reis; 4ward Planning 2016

Methodology: Defining Prospective Senior Housing Options

Housing for older adults and seniors can be broken down into various categories, each with defining characteristics. Active adult communities have an age requirement of 55 and over and typically do not offer any services, though amenities such as clubhouses are often a component. The unit structure of active adult communities varies and can include condos, and single- and multi-family housing units. By contrast, independent living facilities are multi-family unit developments, offering many additional services, including meals, housekeeping, and organized social activities. Residents typically rent apartments at a relative premium to local market housing, in order to cover amenity and service costs. Accommodating IL housing within the former Lakewood Hospital site could likely satisfy future demand in the greater Cleveland area, given the dearth of such facilities, locally. Further, IL facilities could easily absorb upwards of 200,000 square feet of space, dependent upon unit counts and layout plans.

	Active Adult	Independent Living (IL)	Assisted Living
Target Age Group	55-65	65-75	75+
Level of Service	None	Medium	High
Level of Care	None	None	Medium
Housing Unit Structure	Condos, some rentals; mix of single-family and multi-family	Rentals, some condos; multi-family	Rentals; multi-family

Source: CRE; American Seniors Housing Association; ING Clarion Research & Strategy

Methodology: Independent Living Facilities Supply/Demand

Based on aging trends and existing IL supply, we estimated the potential demand for new senior living options. Our analysis utilized the following assumptions:

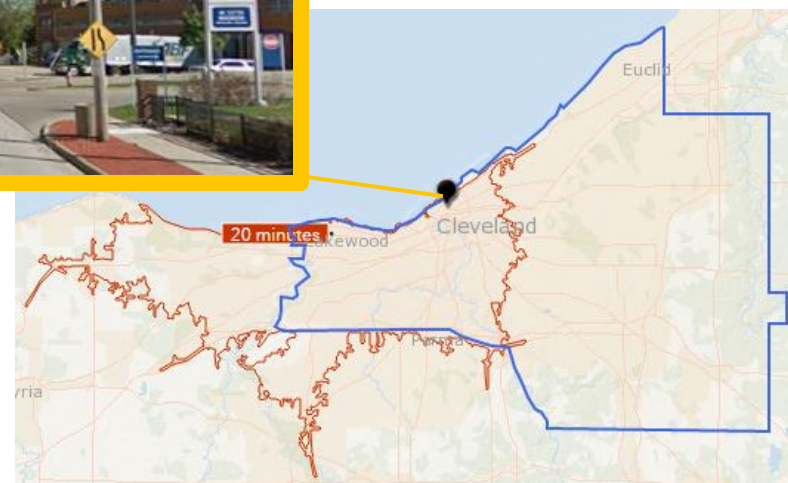
- **Supply:** 4ward Planning utilized the existing inventory of IL units identified by Reis for the Central/E. Cuyahoga senior housing submarket, combined with data on new IL units in the development pipeline (provided in more detail on the following page). According to third-quarter 2016 data provided by Reis, there are approximately 575 independent living facility units/beds in the Central/E. Cuyahoga senior housing submarket. While potential patrons could, possibly, come from beyond the submarket, senior housing research generally suggests that most patrons of IL facilities are migrating from within the local area (within a 15-mile radius), in order to remain close to their existing networks of family, friends, and business associates.
- **Demand:** A penetration rate is considered to be the number of beds or units of a specific type that should be demanded at market equilibrium (when supply meets demand) within a given market area, divided by the number of persons or households of a specific type in the same market area. For purposes of this analysis, penetration rates were adapted from national demand estimates provided in *The Case for Investing in Seniors Housing and Long Term Care Properties With Updated Projections*. The following analysis uses population, household, and income data provided by Esri for the submarket, and the following penetration rates for estimating IL housing demand:
 - Persons Age 65+ (2.02 percent)
 - HHs Age 75+ (6.63 percent)
 - HHs Age 75+ W/Inc. \$35,000+ (14.8 percent). Based on data categories provided by Esri, \$35,000 (instead of \$25,000) is used as the minimum household income category.

Independent Living Facilities: New Supply

NRP Contractors have recently completed a \$9.1 million dollar, 54-unit, affordable LGBT and senior (ages 55 and up) rental housing project called *A Place for Us Housing*. The new development is located directly across from the W. 117th Rapid Station, approximately two miles east of the former Lakewood Hospital site. While asking rents for one-bedroom units (708 square feet, each), are not listed, asking rents for two-bedroom units (855 square feet, each) are \$783 per month. The apartment complex offers various community amenities including a fitness center, business center, meditation room, planned resident activities, a health and wellness suite, and a library, among others.



A Place for Us Housing Project



Source: A Place for Us, <http://www.apfuhousing.com>

Independent Living Unit Demand: Senior Housing Submarket

The current and long-term population increase in persons 65 years of age and older (principally representing the Baby Boom generation) will drive long-term demand for senior housing within national and regional markets. According to population, household, and income estimates and projections provided by Esri for the Central/E. Cuyahoga senior housing submarket and penetration rates for each prospective IL housing market, there is currently an average demand for approximately 1,410 IL units/beds within the submarket (increasing to 1,540 units by 2021). Based on Reis estimates of the submarket's independent living units/beds (575 IL units/beds) and the 54 units recently completed, as of 2016, demand exceeds known supply by approximately 781 units, and is projected to increase to 911 units by 2021. It is also likely that the current demand for IL units within City of Lakewood is greater than current supply, and the gap between demand and supply will continue to grow larger, in the absence of new IL facilities. The former Lakewood Hospital site has an opportunity to capture a portion of this market, without exclusively being an IL facility.

Demand for Independent Living: Central/E. Cuyahoga

Criteria	2016	2021	Penetration Rate	2016	2021
Submarket Demand					
Persons Age 65+	135,950	151,300	2.02%	2,750	3,060
HHs Age 75+	43,370	45,540	6.63%	880	920
HHs Age 75+ W/Inc. \$35,000+	29,970	31,470	14.8%	605	640
Average Demand	69,760	76,100	NA	1,410	1,540
Less Submarket Supply					
Independent Living Beds/Units				575	629
New Supply				54	-
Unmet Demand (or Oversupply)				781	911

Subtracting total household demand from an estimated 629 units within the Central/E. Cuyahoga submarket, a **gap of 781 and 911 IL units remains in 2016 and 2021**, respectively. Absent new IL supply, this gap will continue to grow over time, as the population ages.

Based on data categories provided by Esri, \$35,000 (instead of \$25,000) is used as the minimum household income category.
Source: National Investment Conference for the Senior Living and Long Term Care Industries; Reis; 4ward Planning Inc., 2017

APPENDIX

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Tapestry Segments

Tapestry Segments: *Set to Impress* (10.3% of PMA Households)

Profile Overview

Set to Impress is depicted by medium to large multi-unit apartments with lower-than-average rents. These apartments are often nestled into neighborhoods with other businesses or single-family housing. Nearly one in three residents is 20 to 34 years old, and over half of the homes are nonfamily households. Although many residents live alone, they preserve close connections with their families. Income levels are low; many work in food service while they are attending college. This group is always looking for a deal. They are very conscious of their images and seek to bolster personal status with the latest fashion. *Set to Impress* residents are tapped into popular music and the local music scene.

Neighborhood Characteristics

- Apartment complexes represented by multiple multi-unit structures are often nestled in neighborhoods with either single-family homes or other businesses.
- Renters make up nearly three quarters of all households.
- They're found mostly in urban areas, but also in suburbs.
- Single-person households make up over 40% of all households.
- It is easy enough to walk or bike to work for many residents.

Socio-Economic Traits

- Residents are better educated and mobile.
- Unemployment is higher, although many are still enrolled in college (Index 146).
- They always have an eye out for a sale and will stock up when the price is right.
- They prefer name brands, but will buy generic when it is a better deal.
- Quick meals on the run are a reality of life.
- They're image-conscious consumers that dress to impress and often make impulse buys.
- They maintain close relationships with family.

Source: Esri Tapestry Segmentation, 2016

Tapestry Segments: *Emerald City (9.5% of PMA Households)*

Profile Overview

Emerald City's denizens live in lower-density neighborhoods of urban areas throughout the country. Young and mobile, they are more likely to rent. Well-educated and well-employed, half have a college degree and a professional occupation. Incomes close to the U.S. median come primarily from wages and self-employment. This group is highly connected, using the Internet for entertainment and making environmentally friendly purchases. Long hours on the Internet are balanced with time at the gym. Many embrace the “foodie” culture and enjoy cooking adventurous meals using local and organic foods. Music and art are major sources of enjoyment. They travel frequently, both personally and for business.

Neighborhood Characteristics

- There are mostly older, established neighborhoods with homes built before 1960; around 30% built before 1940.
- Just over half of all homes are renter-occupied.
- Single-person and non-family types make up over half of all households.
- Median home value and average rent are slightly above the US levels; around half of owned homes are worth \$150,000–\$300,000.

Socio-Economic Traits

- Well-educated, these consumers research products carefully before making purchases.
- They buy natural, green, and environmentally friendly products.
- Very conscious of nutrition, they regularly buy and eat organic foods.
- Cell phones and text messaging are a huge part of everyday life.
- They place importance on learning new things to keep life fresh and variable.
- They are interested in the fine arts and especially enjoy listening to music.

Source: Esri Tapestry Segmentation, 2016

Tapestry Segments: *Golden Years* (6.1% of PMA Households)

Profile Overview

Independent, active seniors nearing the end of their careers or already in retirement best describes *Golden Years* residents. This market is primarily singles living alone or empty nesters. Those still active in the labor force are employed in professional occupations; however, these consumers are actively pursuing a variety of leisure interests - travel, sports, dining out, museums, and concerts. They are involved, focused on physical fitness, and enjoying their lives. This market is smaller, but growing, and financially secure.

Neighborhood Characteristics

- This older market has a median age of 51 years and a disproportionate share (nearly 30 percent) of residents aged 65 years or older.
- Single-person households (over 40 percent) and married-couple families with no children (one-third) dominate these neighborhoods; average household size is low at 2.05 (Index 79).
- Most of the housing was built after 1970; approximately 43 percent of householders live in single-family homes and 42 percent in multiunit dwellings.
- These neighborhoods are found in large metropolitan areas, outside central cities, scattered across the U.S.

Socio-Economic Traits

- *Golden Years* residents are well-educated - 20% have graduate or professional degrees, 26% have bachelor's degrees, and 26% have some college credits.
- Unemployment is low at 7% (Index 76), but so is labor force participation at 55% (Index 88), due to residents reaching retirement.
- Median household income is higher in this market, more than \$61,000. Although wages still provide income to 2 out of 3 households, earned income is available from investments (Index 172), Social Security benefits (Index 153), and retirement income (Index 149).
- These consumers are well-connected: Internet access is used for everything from shopping or paying bills to monitoring investments and entertainment.
- They are generous supporters of the arts and charitable organizations.
- They keep their landlines and view cell phones more as a convenience.

Source: Esri Tapestry Segmentation, 2016

Tapestry Segments: *Metro Renters (3.3% of PMA Households)*

Profile Overview

Residents in this highly mobile and educated market live alone or with a roommate in older apartment buildings and condos located in the urban core of the city. This is one of the fastest growing segments; the popularity of urban life continues to increase for consumers in their late twenties and thirties. *Metro Renters* residents income is close to the U.S. average, but they spend a large portion of their wages on rent, clothes, and the latest technology. Computers and cell phones are an integral part of everyday life and are used interchangeably for news, entertainment, shopping, and social media. *Metro Renters* residents live close to their jobs and usually walk or take a taxi to get around the city.

Neighborhood Characteristics

- Over half of all households are occupied by singles, resulting in the smallest average household size among the markets (1.66).
- Neighborhoods feature 20+ unit apartment buildings, typically surrounded by offices and businesses.
- Renters occupy close to 80% of all households.
- Public transportation, taxis, walking, and biking are popular ways to navigate the city

Socio-Economic Traits

- Well-educated consumers, many are currently enrolled in college.
- Very interested in the fine arts and strive to be sophisticated; value education and creativity.
- Willing to take risks and work long hours to get to the top of their professions.
- Become well-informed before purchasing the newest technology.
- Prefer environmentally safe products.
- Socializing and social status very important.

Source: Esri Tapestry Segmentation, 2016

Tapestry Segments: *Fresh Ambitions* (3.2% of PMA Households)

Profile Overview

These young families, many of whom are recent immigrants, focus their lives and work around their children. *Fresh Ambitions* residents are not highly educated, but many have overcome the language barrier and earned a high school diploma. They work overtime in service, in skilled and unskilled occupations, and spend what little they can save on their children. Multi-generational families and close ties to their culture support many families living in poverty; income is often supplemented with public assistance and Social Security. Residents spend more than one-third of their income on rent, though they can only afford to live in older row houses or multi-unit buildings. They budget wisely not only to make ends meet, but also to save for a trip back home.

Neighborhood Characteristics

- Resides in mostly row houses or two-to-four-unit buildings; many were built before 1950, located in major urban cities.
- They predominantly rent; average gross rent is a little below the U.S. average.
- Most households have at least one vehicle, and commuters drive alone to work. Walking to work or taking public transportation is common, too.
- Half of the households have children of all ages and are comprised of more single-parent than married-couple families. There are more than three persons per household; the proportion of multi-generational families is twice that of the U.S.

Socio-Economic Traits

- One in four is foreign-born, supporting a large family on little income. *Fresh Ambitions* residents live on the edge of poverty but are an ambitious community. They will take on overtime work when they can.
- Unemployment is high for these recent immigrants.
- One in three has overcome the language barrier and earned a high school diploma.
- Price-conscious consumers, they budget for fashion, not branding. However, parents are happy to spoil their brand-savvy children.
- These residents maintain close ties to their culture; they save money to visit family, but seek out discount fares over convenience.

Source: Esri Tapestry Segmentation, 2016

Tapestry Segments: *Young and Restless (3.1% of PMA Households)*

Profile Overview

Gen Y comes of age: Well-educated young workers, some of whom are still completing their education, are employed in professional/technical occupations, as well as sales and office/administrative support roles. These residents are not established yet, but striving to get ahead and improve themselves. This market ranks in the top 5 for renters, movers, college enrollment, and labor force participation rate. Almost one in five residents move each year. Close to half of all householders are under the age of 35, the majority living alone or in shared nonfamily dwellings. Median household income is still below the U.S. Smartphones are a way of life, and they use the Internet extensively. *Young and Restless* consumers are diverse, favoring densely populated neighborhoods in large metropolitan areas; over 50% are located in the South (almost a fifth in Texas), with the rest chiefly in the West and Midwest.

Neighborhood Characteristics

- One of the youngest markets: Half the householders under age 35; median age 29.4.
- Primarily single-person households (Index 163) with some shared households (Index 201).
- Highly mobile market, beginning careers and changing addresses frequently.
- Naturally, one of the top 5 renter markets (Index 237).
- Apartment rentals popular: 45% in 5–19 unit buildings (Index 507), 26% in 20+ unit buildings (Index 325).
- Majority of housing built in 1970 or later (83%).

Socio-Economic Traits

- Education completed: 2 out of 3 have some college, an associate's degree, or a bachelor's degree or higher. Education in progress: almost 15% are still enrolled in college (Index 185).
- Labor force participation rate is exceptionally high at 75.4%; unemployment is low at 7.8%.
- These are careful shoppers, aware of prices, and demonstrate little brand loyalty.
- They like to be the first to try new products, but prefer to do research before buying the latest electronics.
- Most of their information comes from the Internet and TV, rather than traditional media.
- Carry their cell phone everywhere they go.

Source: Esri Tapestry Segmentation, 2016

Glossary of Terms

Glossary of Terms:

Employment by Industry: The industry is the type of activity that occurs at a person's place of work. Industries are classified through the North American Industry Classification System (NAICS), the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

Empty-Nester Household: A household in which one or more parents live after the children have left home, typically represented by ages 55 through 74.

Family: A family is a group of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people are considered members of one family.

Growth Rates: The chart below outlines how 4ward Planning defines growth rates. For example, flat growth reflects an annualized rate of change between -0.75 and 0.75 percent.

Strong Positive Growth	Greater than	1.50%		annually
Modest Positive Growth	Between	1.50%	and 0.75%	annually
Flat Growth	Between	0.75%	and -0.75%	annually
Modest Negative Growth	Between	-0.75%	and -1.50%	annually
Strong Negative Growth	Less than	-1.50%		annually

Household: A household consists of all the people who occupy a housing unit. A house, apartment, or other group of rooms or a single room, is regarded as a housing unit when occupied or intended for occupancy as a separate living quarter. The count of households excludes group quarters and institutions.

Household Population: Household population, as compared to total population, excludes persons living in dormitories, penal facilities, hospitals, and other institutional settings.

Non-Family Household: A non-family household consists of a householder living alone (a one-person household) or a householder sharing the home exclusively with people to whom he/she is not related.

Primary Job: According to the U.S. Census, a primary job refers to the job an individual has which provides the greatest income. If an individual is employed by a single job, this would be considered a primary job. If an individual is employed at multiple jobs, including part-time employment, the job that provides the greatest income would be considered a primary job.

Metropolitan Statistical Area (MSA): Metropolitan statistical areas consist of the county or counties (or equivalent entities) associated with at least one urbanized area of at least 50,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties. For the purposes of this study, the Cleveland-Elyria region is considered the MSA.



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